

## EXHIBIT "5"

### SCHEDULE 17

Lender Authorized Work .

#### Marblehead:

- Completion of public improvements required by the City of San Clemente, including:
  - Completion of the Avenida Vista Hermosa bridge,
  - completion of all Avenida Pico improvements from Los Molinos to El Camino Real,
  - completion of all Via Socorro Improvements,
  - completion of v-ditches on existing steep bluffs,
  - completion of dry utilities in Avenida Vista Hermosa and Costa Azul,
  - completion of all Avenida Vista Hermosa improvements from I-5 to the bridge and from the bridge to Avenida Pico,
  - construction of the sewer in Avenida Pico from Los Molinos to Avenida Vista Hermosa and related renovation of paving,
  - completion of storm drain in Commercial site,
  - completion of water pipeline in Commercial site,
  - completion of telephone conduit in Commercial site,
  - completion of Commercial site grading,
  - construction of all El Camino Real improvements from Avenida Pico to the project boundary,
  - completion of the Sports Park at I-5/Avenida Vista Hermosa except for the "Courtney's Sandcastle" children's playground,
  - overall project erosion control,
  - project landscape maintenance,
  - long-term maintenance and weed control of the Habitat Mitigation Plan/conservation easement area,
  - provision of construction and irrigation water and provision of construction and irrigation power.

#### Heartland:

None

#### Emerald Meadows:

- Bring site into compliance with respect to weed abatement in compliance with code violations notices received from the County for weed abatement.

Oak Valley:

None

West Creek:

None

Tetra Lago:

- Street construction, traffic signal to secure reimbursement from CFD funds.

Beaumont Heights:

None

Summit Valley:

None

Bickford Ranch:

- Construction of the off-site waterline and pump station.
- Mitigation Management and Monitoring of the project, including Oak Tree Mitigation, SWPPP/RWQCB compliance, VELB Habitat, Bat Habitat, and Raptor Nesting.

Johannson Ranch:

None

Delta Shores:

None

Ritter Ranch:

- Completion of Elizabeth Lake Road Phase 1 as it relates to water, sewer, storm drain, grading and street improvements in order to satisfy the City of Palmdale claim against the Bonds.
- Shoulder widening on phase 2 of Elizabeth Lake Road to the satisfaction of the City of Palmdale

Acton:

None.

Pacific Point:

- Completion of public improvements required by the City of San Juan Capistrano, including:
  - completion of off-site Valle Road North roadway and intersection improvements and completion of Via LaJolla paving improvements,
  - completion of plan check of Interstate-5 LaNovia off-ramp improvements by State of California Department of Transportation/CalTrans;
  - completion of improvements at the California Highway Patrol (CHP) station and restoration of paving in adjacent Camino Capistrano – both as related to construction of the off-site storm drain,
  - overall project erosion control
  - project landscape maintenance
  - weed abatement in non-landscaped areas
  - provision of construction and irrigation water and provision of construction and irrigation power.

Northlake:

None

## EXHIBIT “6”

## SCHEDULE 17

### Lender Authorized Work

#### Marblehead:

- Completion of public improvements required by the City of San Clemente, including:
  - Completion of the Avenida Vista Hermosa Bridge,
  - Completion of all Avenida Pico Improvements from Los Molinos to El Camino Real,
  - Completion of all Via Socorro Improvements,
  - Completion of V-Ditches on existing steep bluffs,
  - Completion of Dry Utilities in Avenida Vista Hermosa and Costa Azul
  - Completion of all Avenida Vista Hermosa Improvements from the I-5 to the bridge and from the bridge to Avenida Pico,
  - Construction of the sewer in Avenida Pico from Los Molinos to Avenida Vista Hermosa and related renovation of paving,
  - Completion of the Storm Drain in Commercial Site,
  - Completion of Water Pipeline in Commercial Site,
  - Completion of Telephone Conduit in Commercial Site,
  - Completion of Commercial Site Grading,
  - Construction of all El Camino Real Improvements from Avenida Pico to the Project Boundary,
  - Completion of the Sports Park at I-5/Avenida Vista Hermosa except for the "Courtney's Sandcastle" children's playground,
  - Overall Project Erosion Control,
  - Project Landscape Maintenance,
  - Long-term Maintenance and weed control of the Habitat Mitigation Plan/conservation easement area,
  - Provision of Construction and irrigation water and provision of construction and irrigation power.

#### Heartland:

- Habitat Mitigation Construction and Maintenance.

#### Emerald Meadows:

- Bring site into compliance with respect to weed abatement in compliance with code violations notices received from the County for weed abatement.

**Oak Valley:**

HOA Subsidy  
CVWD Contingent Liability

**West Creek:**

None

**Terra Lago:**

- Street Construction, traffic signal to secure reimbursement from CFD funds
- HOA Subsidy

**Beaumont Heights:**

None

**Summit Valley:**

None

**Bickford Ranch:**

- Construction of the off-site waterline and pump station
- Mitigation Management and Monitoring of the project, including Oak Tree Mitigation,
- SWPP/RWQCB Compliance, VELB Habitat, Bad Habitat and Raptor Nesting

**Johansen Ranch:**

None

**Delta Shores:**

None

**Ritter Ranch:**

- Completion of Elizabeth Lake Road Phase I as it relates to water, sewer, storm drain, grading and street improvements in order to satisfy the City of Palmdale against the Bonds
- Shoulder widening on Phase 2 Elizabeth Lake Road to the satisfaction of the City of Palmdale

**Acton:**

None

**Pacific Point:**

- Completion of public improvements required by the City of San Juan Capistrano, including:
  - Completion of off-site Valle Road North roadway and intersection improvements and completion of Via LaJolla paving improvements,
  - Completion of plan check of Interstate-5 La Novia off-ramp improvements by State of California Department of Transportation/Cal Trans,
  - Completion of improvements at the California Highway Patrol (CHP) station and restoration of paving in adjacent Camino Capistrano - both as related to construction of the off-site storm drain,
  - Overall project erosion control
  - Project Landscape Maintenance
  - Weed abatement in non-landscaped areas
  - Provision of Construction and irrigation water and provision of construction and irrigation power.

**Northlake:**

None

**Tesoro Burnam:**

- Limited mapping
- Department of fish and game reports/processing

**Joshua Ridge II:**

None

**Del Rio:**

- Completion of the CFD Bond sale
- Park design and construction
- Sound wall construction
- Bioswale completion



**Palm Springs Village (Avalon):**

- Temporary Fencing
- Dust Control
- SWPP Monitoring
- Golf/Landscape Maintenance
- Water Bills

## EXHIBIT “7”

As of 5/30/2008

Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments
Marblehead	All American Asphalt #105593	3/18/2008	\$ 1,391,302.70	#00108296 (Orange Co)	Arch Ins.	SU5014712-16 SU5014895-98	In Litigation-VCT defending
Marblehead	BnB Engineering, Inc. #105671	2/15/2008	\$ 1,596,328.69	#00105765 (Orange Co)	Arch Ins.	SU5014712-17 SU5014792 SU5014895-97	In Litigation-Tom Davis Esq, Defending; Request for Lis Pendens filed
Marblehead	C. Wells Pipeline Material sub BnB Engineering #105671	N/A	\$ 44,554.35		Arch Ins.	SU5014724 SU5014792	4/2/08-Notice provided but no proof of claim filed
Marblehead	Boudreau Pipeline #11705	2/13/2008	\$ 1,527,907.90	#00103158 (Orange Co)	Arch Ins.	SU5014791	Tom Davis Esq. defending In Litigation
Marblehead	The Collaborative West The Jasper Companies #11744	N/A	\$ 181,990.00		Arch Ins.	SU5014712, 16, 25 SU5014796 SU5014892, 94	5/9/08-Notice provided but no proof of claim filed
Marblehead	RMF dba: R&M Electrical #115600	2/13/2008	\$ 148,659.95	#00102841 (Orange Co)	Arch Ins.	SU5014720	Tom Davis Esq. defending In Litigation
Marblehead	RMF dba: R&M Electrical #115600 sub Mesa Pacific Savata Equipment Co. #119438	3/17/2008	\$ 284,749.10	#00104198 (Orange Co)	Arch Ins.	SU5014712	Tom Davis Esq. defending In Litigation
Marblehead		4/21/2008	\$ 419,010.00	#00104251 (Orange Co)	Arch Ins.	SU5014712	Tom Davis Esq. defending 4/17/08-Arch denied but anticipate further claim activity
Marblehead		1/16/2008	\$ 34,440.00		Arch Ins.	SU5014395-97 SU5014718	
Arden Estates	Professional Pipeline & Excavating #106415	2/14/2008	\$ 11,312.37	#BC384274 (Los Angeles)	Arch Ins. & Bond Safeguard	No applicable bond/see Palmdale Hills claim below	In Litigation-VCT defending Linked to Palmdale lawsuit below
Palmdale Hills	Professional Pipeline & Excavating #106415	2/14/2008	\$ 2,186,081.30	#BC384274 (Los Angeles)	Arch Ins. & Bond Safeguard	SU5020869 SU5024772 SU5012713 SU5012912 SU5014355, 61, 62, 63, 65	In Litigation-VCT defending 5/14/08 City served Arch directly - Arch requesting Representation Letter-VCT defending
Palmdale Hills (Ritter Ranch)	CITY of Palmdale	1/16/2008	DEMAND	#BC380450 (Los Angeles)	Arch Ins.	SU5014359-43 SU5014365	
Palmdale Hills (Ritter Ranch)	CITY of Palmdale	1/16/2007	DEMAND		Bond Safeguard (Lexon)	5020869 5020871- 73 5025507	3/27/08 Lexon/Bruce Cook & Frank Rays meet with the City.
Palmdale Hills (Ritter Ranch)	Flow-Line Concrete #105965	3/17/2008	\$ 61,743.27		Arch Ins.	SU5012718	5/2/08 Arch denied claim but anticipate further claim activity
Palmdale Hills (Ritter Ranch)	Samrod Corporation #114473	2/18/2008	\$ 322,370.16	#MC 018788 (Antelope Valley)	Arch Ins. & Bond Safeguard	SU5012912 Bond Safeguard # not provided by claimant	In Litigation Ron Hopkins Esq. defending Arch, VCT defending SunCal & Bond Safeguard
Palmdale Hills (Ritter Ranch)	Sierra Cascade #107652	2/21/2008	\$ 107,334.19	#MCO19186 (Los Angeles)	Arch Ins.	SU5012912 SU5012819 SU5014353	5/13/08 Arch denied claim but anticipate further claim activity

As of 5/30/2008

Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments
SJD Partners (Pacific Point)	CITY of San Juan Capistrano	2/21/2008	DEMAND		Arch Ins.	3SM04845700	3/10/08 City meeting
SJD Partners (Pacific Point)	CITY of San Juan Capistrano	2/21/2008	DEMAND		Bond Safeguard (Lexon)	SU5021870	3/10/08 City meeting
SJD Partners (Pacific Point)	All American Asphalt #105599	4/14/2008	\$ 245,870.90	#00106297 (Orange County)	Arch Inc.	SU5005287	In Litigation-VCT defending
SJD Partners (Pacific Point)	All American Asphalt as sub to Boudreau Pipeline	5/9/2008	\$ 7,858.04	#00067597 (Orange County)	Arch Inc.	SU5005287	In Litigation-VCT defending
SJD Partners (Pacific Point)	Boudreau Pipeline #111705	2/29/2008	\$ 961,932.57	#00103344 (Orange Co)	Arch Inc.	SU6014748	In Litigation-VCT defending
SJD Partners (Pacific Point)	Bova Contracting Corp. #105678	2/19/2008	\$ 312,504.84		Arch Ins.	SU6018410 SU5005286 SU5005292 SU6018424	6/14/08 Response due to Arch Negotiations are underway to settle this matter
SJD Partners (Pacific Point)	Bova Contracting Corp. #105678	2/19/2008	\$ 1,642,771.30		Bond Safeguard (Lexon)	6021871,72,73,75 6025351-52 6021867-69 423666S	Negotiations are underway to settle this matter
SJD Partners (Pacific Point)	Chino Grading, Inc.	4/11/2008	\$ 282,044.14	#00104866 (Orange Co)	Doe Surety	SD00082315 SU5010032	In Litigation, VCT defending
SJD Partners (Pacific Point)	Rockey Murata Landscape #106460	N/A	\$ 743,971.94		Arch Ins.	SU6018406, 06, 14, 16, 20, 22, 27, 29, 31	3/13/08-Notice provided but no proof of claim filed
SJD Partners (Pacific Point)	Sierra Pacific Electrical #106533	4/2/2008	\$ 49,541.75		Arch (Amico)	3SM04845700	6/2/08 response due to Arch
			Total:	\$12,622,374.36			

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Schedule 12C-Bonds, Bond Claims and Parties Liable

Bondholder	Bond #	Carrier	Original Obligor	Bond Amount	Issued	Material	Description
Marblehead	SU5013729	Arch	US ARMY CORPS OF ENGINEERS	\$ 295,200.00	1/19/2006	8817	Mitigation #200300878-CJF
Marblehead	SU5014712	Arch	CITY OF SAN CLEMENTE	\$ 1,707,100.00	5/4/2005	8817	STREET - LOTS 1-77
Marblehead	SU5014713	Arch	CITY OF SAN CLEMENTE	\$ 853,000.00	5/4/2005	8817	STREET - LOTS 78-120
Marblehead	SU5014714	Arch	CITY OF SAN CLEMENTE	\$ 751,000.00	5/4/2005	8817	STREET - LOTS 121-182
Marblehead	SU5014715	Arch	CITY OF SAN CLEMENTE	\$ 1,354,600.00	5/4/2005	8817	STREET - LOTS 183-313
Marblehead	SU5014716	Arch	CITY OF SAN CLEMENTE	\$ 1,358,866.00	5/4/2005	8817	COSTA AZUL, ARTEMESIA & PARK ACCESS ROAD
Marblehead	SU5014717	Arch	CITY OF SAN CLEMENTE	\$ 180,000.00	5/4/2005	8817	ROUGH GRADING, WATERLINE RELOCATION
Marblehead	SU5014718	Arch	CITY OF SAN CLEMENTE	\$ 804,000.00	5/4/2005	8817	COMMERCIAL SERVICE ENTRY WALL
Marblehead	SU5014719	Arch	CITY OF SAN CLEMENTE	\$ 15,350.00	5/4/2005	8817	CANYON EDGE WALLS
Marblehead	SU5014720	Arch	CITY OF SAN CLEMENTE	\$ 1,005,000.00	5/4/2005	8817	RETAINING WALL
Marblehead	SU5014721	Arch	CITY OF SAN CLEMENTE	\$ 443,727.00	5/4/2005	8817	LANDSCAPE & GRADING LOT V - PRIVATE PARK
Marblehead	SU5014722	Arch	CITY OF SAN CLEMENTE	\$ 225,513.00	5/4/2005	8817	HABITAT MANAGEMENT PLAN
Marblehead	SU5014723	Arch	CITY OF SAN CLEMENTE	\$ 3,571,133.00	5/4/2005	8817	RESIDENTIAL STREETS LANDSCAPING
Marblehead	SU5014724	Arch	CITY OF SAN CLEMENTE	\$ 1,705,500.00	5/4/2005	8817	SCWD/RWSS 27' WATERLINE AVH & AVE PICO
Marblehead	SU5014725	Arch	CITY OF SAN CLEMENTE	\$ 170,000.00	5/4/2005	8817	MONUMENTATION
Marblehead	SU5014726	Arch	CITY OF SAN CLEMENTE	\$ 4,671,000.00	5/4/2005	8817	ROUGH GRADING
Marblehead	SU5014727	Arch	CITY OF SAN CLEMENTE	\$ 221,100.00	5/4/2005	8817	CALTRANS GRADING
Marblehead	SU5014728	Arch	CITY OF SAN CLEMENTE	\$ 508,500.00	5/4/2005	8817	GRADING - LOTS 1-77
Marblehead	SU5014729	Arch	CITY OF SAN CLEMENTE	\$ 294,000.00	5/4/2005	8817	GRADING - LOTS 78-120
Marblehead	SU5014730	Arch	CITY OF SAN CLEMENTE	\$ 404,800.00	5/4/2005	8817	GRADING - LOTS 121-182
Marblehead	SU5014731	Arch	CITY OF SAN CLEMENTE	\$ 866,500.00	5/4/2005	8817	GRADING - LOTS 183-313
Marblehead	SU5014791	Arch	CITY OF SAN CLEMENTE	\$ 3,492,280.00	5/10/2005	8817	BACKBONE STORM DRAINS
Marblehead	SU5014792	Arch	CITY OF SAN CLEMENTE	\$ 1,409,100.00	6/2/2005	8817	AVH AND PICO SEWER/WATER/RECL WATER PLANS
Marblehead	SU5014794	Arch	CITY OF SAN CLEMENTE	\$ 3,696,398.00	5/10/2005	8817	URBAN RUNOFF BIOWALES, WETLANDS
Marblehead	SU5014795	Arch	CITY OF SAN CLEMENTE	\$ 9,101,200.00	5/10/2005	8817	AVENIDA VISTA HERMOSA BRIDGE
Marblehead	SU5014796	Arch	CITY OF SAN CLEMENTE	\$ 3,243,200.00	5/10/2005	8817	COMMERCIAL SITE BRIDGE
Marblehead	SU5014797	Arch	CITY OF SAN CLEMENTE	\$ 200,000.00	6/8/2005	8817	GRADING FOR BLUFF RESTORATION
Marblehead	SU5014986	Arch	CITY OF SAN CLEMENTE	\$ 59,946.00	5/23/2005	8817	MSE WALL PLANTING & IRRIGATION/LANDSCAPE
Marblehead	SU5014987	Arch	CITY OF SAN CLEMENTE	\$ 1,135,905.00	5/23/2005	8817	GRADING FOR PICO PARK
Marblehead	SU5014988	Arch	CITY OF SAN CLEMENTE	\$ 3,261,370.00	5/23/2005	8817	GRADING FOR SPORTS PARK
Marblehead	SU5014989	Arch	CITY OF SAN CLEMENTE	\$ 658,861.00	5/23/2005	8817	GRADING FOR LOT N (G) PARK (Bluff)
Marblehead	SU5014990	Arch	CITY OF SAN CLEMENTE	\$ 556,819.00	5/23/2005	8817	GRADING FOR LOT R (H) PARK (Costa Azul)
Marblehead	SU5014991	Arch	CITY OF SAN CLEMENTE	\$ 165,028.00	5/23/2005	8817	AVENIDA PICO MEDIANS & PARKWAY
Marblehead	SU5014992	Arch	CITY OF SAN CLEMENTE	\$ 306,200.00	5/23/2005	8817	AVH MEDIANS & PARKWAY
Marblehead	SU5014993	Arch	CITY OF SAN CLEMENTE	\$ 1,532,785.00	5/23/2005	8817	TRAILS, INTERPRETIVE SIGNAGE
Marblehead	SU5014994	Arch	CITY OF SAN CLEMENTE	\$ 117,832.00	5/23/2005	8817	ENTRY MONUMENT SIGNAGE
Marblehead	SU5014995	Arch	CITY OF SAN CLEMENTE	\$ 1,765,523.00	5/23/2005	8817	AVH STREET IMPROVEMENTS
Marblehead	SU5014996	Arch	CITY OF SAN CLEMENTE	\$ 881,102.00	5/23/2005	8817	AVENIDA PICO STREET

Schedule 12C-Bonds, Bond Claims and Parties Liable

5/30/2008

Project	Bond #	Carrier	Obligor	Bond Amount	Issued	Traced	Description
Marblehead	SU5014997	Arch	CITY OF SAN CLEMENTE	\$ 1,086,376.00	5/23/2005	8817	EL CAMINO REAL IMP
Marblehead	SU5015039	Arch	CITY OF SAN CLEMENTE	\$ 901,450.00	5/24/2005	8817	AVENIDA VISTA HERMOSA TRAFFIC SIGNAL
Marblehead	SU5015040	Arch	CITY OF SAN CLEMENTE	\$ 409,200.00	5/24/2005	8817	AVENIDA PICO TRAFFIC SIGNAL
Marblehead	SU5015679	Arch	CALTRANS	\$ 225,000.00	7/5/2005	8817	ENCROACHMENT #1204-6M/C-0649
Marblehead	SU5017323	Arch	CITY OF SAN CLEMENTE	\$ 123,806.00	9/20/2005	8817	CALLE DE LOS MOLINOS STREET
Marblehead	SU5017324	Arch	CITY OF SAN CLEMENTE	\$ 97,919.00	9/20/2005	8817	VIA SOCORRO STREET
Marblehead	K06916156	ACE	POINTE MARBLEHEAD HOA	\$ 34,900.00	9/21/2007	8817	ASSESSMENT SECURITY - RE643
Marblehead	5029548	Lexon	POINTE MARBLEHEAD HOA	\$ 12,338.00	10/26/2007	8817	ASSESSMENT SECURITY - RE643
Marblehead	5029563	Lexon	POINTE MARBLEHEAD HOA	\$ 12,973.00	11/8/2007	8817	ASSESSMENT SECURITY - RE643
Marblehead	5029564	Lexon	POINTE MARBLEHEAD HOA	\$ 11,525.00	11/8/2007	8817	ASSESSMENT SECURITY - RE643
Bond Obligors: SunCal Marblehead LLC and Bruce & Kathy Elieff				\$ 56,544,918.00			
Heartland	0318701	IFIC	CITY OF BEAUMONT	\$ 792,000.00	3/13/2006		MITIGATION #1600-2004-0225-R6
Heartland	5029518	Lexon	CITY OF BEAUMONT	\$ 1,101,500.00	10/15/2007	27971-1	STREET, STORM DRAIN, SEWER
Heartland	5029519	Lexon	CITY OF BEAUMONT	\$ 1,064,000.00	10/15/2007	27971-2	STREET, STORM DRAIN, SEWER
Heartland	5029520	Lexon	CITY OF BEAUMONT	\$ 1,281,500.00	10/15/2007	27971-3	STREET, STORM DRAIN, SEWER
Heartland	5029521	Lexon	CITY OF BEAUMONT	\$ 1,091,000.00	10/15/2007	27971-4	STREET, STORM DRAIN, SEWER
Heartland	5029522	Lexon	CITY OF BEAUMONT	\$ 1,810,500.00	10/15/2007	27971-5	STREET, STORM DRAIN, SEWER
Heartland	5029523	Lexon	CITY OF BEAUMONT	\$ 848,600.00	10/15/2007	27971-6	STREET, STORM DRAIN, SEWER
Heartland	5029524	Lexon	CITY OF BEAUMONT	\$ 878,000.00	10/15/2007	27971-7	STREET, STORM DRAIN, SEWER
Heartland	5029525	Lexon	CITY OF BEAUMONT	\$ 1,253,000.00	10/15/2007	27971-8	STREET, STORM DRAIN, SEWER
Heartland	5029526	Lexon	CITY OF BEAUMONT	\$ 1,457,500.00	10/15/2007	27971-9	STREET, STORM DRAIN, SEWER
Heartland	5029527	Lexon	CITY OF BEAUMONT	\$ 1,966,500.00	10/15/2007	27971-10	STREET, STORM DRAIN, SEWER
Heartland	5029528	Lexon	CITY OF BEAUMONT	\$ 622,000.00	10/15/2007	27971-11	STREET, STORM DRAIN, SEWER
Heartland	5029529	Lexon	CITY OF BEAUMONT	\$ 614,000.00	10/15/2007	27971	STREET, STORM DRAIN, SEWER
Heartland	5029530	Lexon	CITY OF BEAUMONT	\$ 27,700.00	10/15/2007	27971-1	MONUMENT
Heartland	5029531	Lexon	CITY OF BEAUMONT	\$ 24,120.00	10/15/2007	27971-2	MONUMENT
Heartland	5029532	Lexon	CITY OF BEAUMONT	\$ 33,120.00	10/15/2007	27971-3	MONUMENT
Heartland	5029533	Lexon	CITY OF BEAUMONT	\$ 27,700.00	10/15/2007	27971-4	MONUMENT
Heartland	5029534	Lexon	CITY OF BEAUMONT	\$ 49,400.00	10/15/2007	27971-5	MONUMENT
Heartland	5029535	Lexon	CITY OF BEAUMONT	\$ 27,300.00	10/15/2007	27971-6	MONUMENT
Heartland	5029536	Lexon	CITY OF BEAUMONT	\$ 26,300.00	10/15/2007	27971-7	MONUMENT
Heartland	5029537	Lexon	CITY OF BEAUMONT	\$ 33,500.00	10/15/2007	27971-8	MONUMENT
Heartland	5029538	Lexon	CITY OF BEAUMONT	\$ 41,300.00	10/15/2007	27971-9	MONUMENT
Heartland	5029539	Lexon	CITY OF BEAUMONT	\$ 56,500.00	10/15/2007	27971-10	MONUMENT
Heartland	5029540	Lexon	CITY OF BEAUMONT	\$ 21,800.00	10/15/2007	27971-11	MONUMENT
Heartland	5029541	Lexon	CITY OF BEAUMONT	\$ 23,700.00	10/15/2007	27971	MONUMENT
Heartland	5029542	Lexon	CITY OF BEAUMONT	\$ 2,891,000.00	10/15/2007	27971	INFRASTRUCTURE STORM DRAIN & SEWER

5/30/2008

Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Bond #	Beneficiary	Obligor	Amount	Issued	Project	Description
Heartland	5029543	Lexon	CITY OF BEAUMONT	\$ 4,564,000.00	10/15/2007	27971	INFRASTRUCTURE STREET
Heartland	5029552	Lexon	CITY OF BEAUMONT	\$ 2,800,000.00	10/31/2007	27971	PARK SITE & TRAIL
Heartland	5029553	Lexon	CITY OF BEAUMONT	\$ 3,420,000.00	10/31/2007	27971	POTRERO BRIDGE & ACCESS ROAD
Bond Obligors:	SunCal Heartland LLC and Bruce & Kathy Elieff			\$ 23,947,440.00			
Emerald Meadows	K06916120	ACE	COUNTY OF RIVERSIDE	\$ 331,000.00	9/17/2007	32971	STREET & DRAINAGE
Emerald Meadows	K06916132	ACE	CALTRANS	\$ 475,000.00	9/17/2007		HIGHWAY ENCROACHMENT (ON RAMP)
Emerald Meadows	K06916144	ACE	CALTRANS	\$ 475,000.00	9/17/2007		HIGHWAY ENCROACHMENT (OFF RAMP)
Bond Obligors:	SCC Acquisitions, Inc and Bruce & Kathy Elieff			\$ 1,281,000.00			
Oak Valley (Champions)	SU5008349	Arch	CITY OF CALIMESA	\$ 1,425,419.00	6/3/2004		J & G ST ALIGNMENT
Oak Valley (Champions)	SU5010685	Arch	US ARMY CORPS OF ENG	\$ 573,865.00	9/13/2005		MITIGATION
Oak Valley (Champions)	SU5012365	Arch	CITY OF BEAUMONT	\$ 3,682,000.00	12/22/2004	31462	STREET/SEWER
Oak Valley (Champions)	SU5012366	Arch	CITY OF BEAUMONT	\$ 541,000.00	12/22/2004	31462	STORM DRAIN LINES B,G,J,K
Oak Valley (Champions)	SU5012367	Arch	CITY OF BEAUMONT	\$ 2,082,000.00	12/22/2004	31462	STORM DRAIN LINES D,E,F
Oak Valley (Champions)	SU5012368	Arch	CITY OF BEAUMONT	\$ 131,000.00	12/22/2004	31462	STORM DRAIN LINES H,I
Oak Valley (Champions)	SU5012369	Arch	CITY OF BEAUMONT	\$ 245,584.00	12/22/2004	31462-1	STREET/SEWER
Oak Valley (Champions)	SU5012370	Arch	CITY OF BEAUMONT	\$ 340,000.00	12/22/2004	31462-2	STREET/RAINAGE/SEWER
Oak Valley (Champions)	SU5012371	Arch	CITY OF BEAUMONT	\$ 343,000.00	12/22/2004	31462-3	STREET/RAINAGE/SEWER
Oak Valley (Champions)	SU5012372	Arch	CITY OF BEAUMONT	\$ 153,032.00	12/22/2004	31462-4	STREET/SEWER
Oak Valley (Champions)	SU5012373	Arch	CITY OF BEAUMONT	\$ 540,000.00	12/22/2004	31462-6	STREET/RAINAGE/SEWER
Oak Valley (Champions)	SU5014598	Arch	BEAUMONT-CHERRY VALLEY WATER DIST	\$ 599,508.00	4/29/2005		CONTINGENT GUARANTEE
Oak Valley (Champions)	SU5015421	Arch	FAIRWAY CANYON COMM ASSN	\$ 616,860.00	6/15/2005	31462	SUBSIDY
Oak Valley (Champions)	SU5015422	Arch	FAIRWAY CANYON COMM ASSN	\$ 218,772.00	6/15/2005	31462	COMMON FACILITIES-LANDSCAPING
Oak Valley (Fairway)	2059753	NAS	FAIRWAY CANYON COMM ASSN	\$ 2,424,601.00	10/18/2006	31462	SUBSIDY
Oak Valley (Fairway)	5014543	Lexon	CITY OF BEAUMONT	\$ 311,432.00	3/6/2006	31462-9	STREET & SEWER
Oak Valley (Fairway)	5014544	Lexon	CITY OF BEAUMONT	\$ 167,946.00	3/6/2006	31462-15	STREET & SEWER
Oak Valley (Fairway)	5014545	Lexon	CITY OF BEAUMONT	\$ 260,623.00	3/6/2006	31462-14	STREET & SEWER
Oak Valley (Fairway)	5014546	Lexon	CITY OF BEAUMONT	\$ 49,909.00	3/6/2006	31462-13	STREET & SEWER
Oak Valley (Fairway)	5014547	Lexon	CITY OF BEAUMONT	\$ 59,599.00	3/6/2006	31462-12	STREET & SEWER
Oak Valley (Fairway)	5014548	Lexon	CITY OF BEAUMONT	\$ 165,954.00	3/6/2006	31462-11	STREET & SEWER
Oak Valley (Fairway)	5014549	Lexon	CITY OF BEAUMONT	\$ 147,237.00	3/6/2006	31462	STORM DRAIN
Oak Valley (Fairway)	5014550	Lexon	CITY OF BEAUMONT	\$ 455,080.00	3/6/2006	31462	STORM DRAIN
Oak Valley (Fairway)	5014551	Lexon	CITY OF BEAUMONT	\$ 1,182,063.00	3/6/2006	31462-14&15	STORM DRAINS
Oak Valley (Fairway)	5014552	Lexon	CITY OF BEAUMONT	\$ 2,146,407.00	3/6/2006	31462	STREETS
Oak Valley (Fairway)	5014553	Lexon	CITY OF BEAUMONT	\$ 1,948,415.00	3/6/2006	31462	STREETS
Oak Valley (Fairway)	5024786	Lexon	CITY OF BEAUMONT	\$ 869,060.00	3/7/2007	31462-8	TUNNEL PLAN, T3

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Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Bond #	Carrier	Obligor	Bond Amount	Issue Date	Facility	Description
Oak Valley (Fairway)	5026528	Lexon	CITY OF BEAUMONT	\$ 4,352,797.15	6/21/2007	31462	OAK VALLEY PARKWAY STREET
Oak Valley (Fairway)	5029549	Lexon	CALTRANS	\$ 127,400.00	10/26/2007		ENCROACHMENT PERMIT #08-04-SN-1054
Bond Obligors:	SLB/L-SunCal Oak Valley LLC and SCC/Oak Valley LLC and Bruce & Kathy Elieff			<u>\$ 26,167,563.15</u>			

Beaumont Heights **\*\*NO bonds issued to date on this project.**

Summit Valley **\*\*NO bonds issued to date on this project.**

Bickford Ranch	5020974	Lexon	PLACER COUNTY WATER	\$ 2,500,000.00	8/1/2006		CAPERTON CANAL RELOCATION
Bickford Ranch	5024793	Lexon	PLACER COUNTY	\$ 327,548.00	4/3/2007	918	MONUMENTATION
Bond Obligors:	SunCal Bickford Ranch LLC and Bruce & Kathy Elieff			<u>\$ 2,827,548.00</u>			

Johansen Ranch **\*\*NO bonds issued to date on this project.**

**aka Ritter Ranch**

Palmdale Hills	5020969	Lexon	CITY OF PALMDALE	\$ 573,400.00	6/26/2006	ELIZABETH LAKE	GRADING
Palmdale Hills	5020971	Lexon	CITY OF PALMDALE	\$ 522,700.00	7/24/2006	ELIZABETH LAKE	STREETS - 2 LANES ONLY
Palmdale Hills	5020972	Lexon	CITY OF PALMDALE	\$ 4,235,900.00	7/24/2006	ELIZABETH LAKE	STREETS - LESS 2 LANES
Palmdale Hills	5020973	Lexon	CITY OF PALMDALE	\$ 2,107,100.00	7/24/2006	ELIZABETH LAKE	DRAINAGE
Palmdale Hills	5025395	Lexon	CITY OF PALMDALE	\$ 150,700.00	11/10/2006	51508-02	SECONDARY ACCESS ROAD
Palmdale Hills	5024751	Lexon	CITY OF PALMDALE	\$ 19,500.00	12/18/2006	51508-02	GRADING - SECONDARY ACCESS RD
Palmdale Hills	5024772	Lexon	CITY OF PALMDALE	\$ 439,000.00	3/1/2007		SEWER LIFT STATION
Palmdale Hills	5024800	Lexon	CITY OF PALMDALE	\$ 5,900.00	4/16/2007	51508-01	GRADING - INFO CENTER
Palmdale Hills	5026507	Lexon	CITY OF PALMDALE	\$ 2,748,000.00	5/16/2007	ELIZABETH LAKE	LANDSCAPING
Palmdale Hills	5026526	Lexon	CITY OF PALMDALE	\$ 160,500.00	6/12/2007	51508-01	BIO-BASIN
Palmdale Hills	5026530	Lexon	CITY OF PALMDALE	\$ 2,276,200.00	6/21/2007	51508-03	STREET, SEWER, DRAINAGE & WATER
Palmdale Hills	5026531	Lexon	CITY OF PALMDALE	\$ 1,784,700.00	6/21/2007	51508-03	GRADING
Palmdale Hills	5026546	Lexon	CITY OF PALMDALE	\$ 25,300.00	7/18/2007	51508-01	WATERWHEEL ENTRY MONUMENT
Palmdale Hills	5029509	Lexon	CITY OF PALMDALE	\$ 13,000.00	9/19/2007	51508-01	GRADING - RECREATION CENTER
Palmdale Hills	SU5012719	Arch	CITY OF PALMDALE	\$ 1,186,225.00	1/7/2005	51508	GRADING BOND
Palmdale Hills	SU5012909	Arch	CITY OF PALMDALE	\$ 675,500.00	1/24/2005	51508-01	STREET IMPROVEMENTS
Palmdale Hills	SU5012910	Arch	CITY OF PALMDALE	\$ 129,750.00	1/24/2005	51508-01	SEWER IMPROVEMENTS
Palmdale Hills	SU5012911	Arch	CITY OF PALMDALE	\$ 694,500.00	1/24/2005	51508-01	DRAINAGE IMPROVEMENTS
Palmdale Hills	SU5012912	Arch	CITY OF PALMDALE	\$ 306,500.00	1/24/2005	51508-01	WATER IMPROVEMENTS
Palmdale Hills	SU5012913	Arch	CITY OF PALMDALE	\$ 868,400.00	1/24/2005	51508-01	LANDSCAPING IMPROVEMENTS
Palmdale Hills	SU5012915	Arch	CITY OF PALMDALE	\$ 454,700.00	1/24/2005	51508-02	STREET IMPROVEMENTS



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Schedule 12C-Bonds, Bond Claims and Parties Liable

Bond No.	Carrier	Obligor	Bond Amount	Issue Date	Description
SU5012916	Arch	CITY OF PALMDALE	\$ 112,900.00	1/24/2005	51508-02 SEWER IMPROVEMENTS
SU5012917	Arch	CITY OF PALMDALE	\$ 555,300.00	1/24/2005	51508-02 OFF-SITE SEWER IMPR
SU5012918	Arch	CITY OF PALMDALE	\$ 151,050.00	1/24/2005	51508-02 DRAINAGE IMPROVEMENTS
SU5012919	Arch	CITY OF PALMDALE	\$ 144,000.00	1/24/2005	51508-02 WATER IMPROVEMENTS
SU5012920	Arch	CITY OF PALMDALE	\$ 317,300.00	1/24/2005	51508-02 LANDSCAPING IMPROVEMENTS
SU5014359	Arch	CITY OF PALMDALE	\$ 4,229,500.00	4/20/2005	ELIZABETH LAKE STREET IMPROVEMENTS
SU5014360	Arch	CITY OF PALMDALE	\$ 404,800.00	4/20/2005	ELIZABETH LAKE ST LIGHT IMPROVEMENTS
SU5014361	Arch	CITY OF PALMDALE	\$ 1,224,800.00	4/20/2005	ELIZABETH LAKE SEWER IMPROVEMENTS
SU5014362	Arch	CITY OF PALMDALE	\$ 305,050.00	4/20/2005	ELIZABETH LAKE DRAINAGE IMPROVEMENTS
SU5014363	Arch	CITY OF PALMDALE	\$ 1,266,200.00	4/20/2005	ELIZABETH LAKE WATER IMPROVEMENTS
SU5014365	Arch	CITY OF PALMDALE	\$ 17,572.00	4/20/2005	ELIZABETH LAKE GRADING BOND
SU5019404	Arch	CITY OF PALMDALE	\$ 92,000.00	2/6/2006	51508 BIO-BASIN
Bond Obligors: Palmdale Hills Property LLC and Bruce & Kathy Elleff			\$ 27,991,947.00		
Acton Estates 5025398 Lexon COUNTY OF LOS ANGELES			\$ 1,290,000.00	12/5/2006	43526 GRADING PERMIT
Bond Obligors: Acton Estates LLC and Bruce & Kathy Elleff			\$ 1,290,000.00		
aka Pacific Point					
SJD Partners	186045 NAS	CALTRANS	\$ 50,000.00	5/12/2006	ENCROACHMENT
SJD Partners	3SM04845700 Arch	CITY OF SAN JUAN CAPISTRANO	\$ 3,911,458.00	10/2/2005	IMPROVEMENTS
SJD Partners	4235685 Insc	CITY OF SAN JUAN CAPISTRANO	\$ 3,266,158.00	9/15/1997	GRADING
SJD Partners	4235695 Insc	CITY OF SAN JUAN CAPISTRANO	\$ 2,791,288.00	9/15/1997	REMEDIAL GRADING
SJD Partners	4235705 Insc	CITY OF SAN JUAN CAPISTRANO	\$ 221,735.00	9/15/1997	SLOPE DRAINAGE
SJD Partners	5020963 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 70,005.00	6/21/2006	WATER - AVENIDA CALIFORNIA
SJD Partners	5021862 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 319,267.00	9/11/2006	STREET
SJD Partners	5021863 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 343,468.00	9/11/2006	STORM DRAIN
SJD Partners	5021864 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 378,797.00	9/11/2006	SANITARY SEWER
SJD Partners	5021865 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 114,291.00	9/11/2006	WATER
SJD Partners	5021866 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 710,192.00	9/11/2006	STREET
SJD Partners	5021867 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 476,943.00	9/11/2006	STORM DRAIN
SJD Partners	5021868 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 364,676.00	9/11/2006	SANITARY SEWER
SJD Partners	5021869 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 262,073.00	9/11/2006	WATER
SJD Partners	5021870 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 1,639,486.00	9/11/2006	STREET
SJD Partners	5021871 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 1,537,973.00	9/11/2006	STORM DRAIN
SJD Partners	5021872 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 434,156.00	9/11/2006	SANITARY SEWER
SJD Partners	5021873 Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 763,671.00	9/11/2006	WATER

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Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Bond #	Bond	Carrier	Obligee	Bond Amount	Issued	Description
SJD Partners	5021874	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 219,070.00	9/11/2006	16751	STREET
SJD Partners	5021875	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 78,031.00	9/11/2006	16751	STORM DRAIN
SJD Partners	5025351	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 83,952.00	9/11/2006	16751	SANITARY SEWER
SJD Partners	5025352	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 53,215.00	9/11/2006	16751	WATER
SJD Partners	SD00031627	Frontier	CITY OF SAN JUAN CAPISTRANO	\$ 265,925.00	8/14/2006	14196	STORM DRAIN
SJD Partners	SD00082815	Frontier	CITY OF SAN JUAN CAPISTRANO	\$ 78,403.00	10/6/1999	15887	GRADING
SJD Partners	SU5002773	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 33,795.00	9/10/2005		WTR IMPR VALLE ROAD
SJD Partners	SU5005286	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 910,807.00	3/5/2004		STORM DRAIN & TRAFFIC CONTROL
SJD Partners	SU5005287	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 321,533.00	3/5/2004	14196	STREET "A" STREET
SJD Partners	SU5005288	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 34,686.00	3/5/2004		SEWER RELOCATION THRU CALTRANS YARD
SJD Partners	SU5006289	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 308,786.00	3/5/2004		SWR & STS & TRAFFIC CONTROL
SJD Partners	SU5005290	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 213,412.00	3/5/2004	14196	STORM DRAIN (STREET "A")
SJD Partners	SU5005291	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 127,871.00	3/5/2004	14196	SEWER (STREET "A")
SJD Partners	SU5010032	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 142,650.00	8/20/2004		STORM DRAIN (VALLE ROAD N.)
SJD Partners	SU5010973	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,198,048.00	10/5/2004		GRADING-780 ZONE RESERVOIR
SJD Partners	SU5011582	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 415,030.00	11/4/2004	15609	WATER-CALITACAMINO LAS RAMBLAS
SJD Partners	SU5013285	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 245,300.00	11/4/2004	14196	WATER MCCracken HILLS RESERVOIR
SJD Partners	SU5014748	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,588,672.00	2/17/2005		760S RESERVOIR
SJD Partners	SU5014774	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 2,783,794.00	5/9/2005		760S RESERVOIR
SJD Partners	SU5018406	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 303,509.00	5/9/2005	15687	PACIFIC SAN JUAN-A ST WATER
SJD Partners	SU5018407	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 620,766.00	11/21/2005	14196	LANDSCAPE
SJD Partners	SU5018408	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 15,500.00	11/21/2005	15609	MONUMENT
SJD Partners	SU5018410	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 676,850.00	11/21/2005	15609	LANDSCAPE
SJD Partners	SU5018411	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 10,500.00	11/21/2005	15687	MONUMENT
SJD Partners	SU5018412	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 525,000.00	11/21/2005	15687	STORM DRAIN
SJD Partners	SU5018414	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,180,000.00	11/21/2005	15687	STREET
SJD Partners	SU5018415	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 280,000.00	11/21/2005	15687	SEWER
SJD Partners	SU5018416	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 157,551.00	11/21/2005	15687	LANDSCAPE
SJD Partners	SU5018420	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 18,500.00	11/21/2005	16747	MONUMENT
SJD Partners	SU5018421	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 923,528.00	11/21/2005	16747	LANDSCAPE
SJD Partners	SU5018422	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 471,928.00	11/21/2005	16748	LANDSCAPE
SJD Partners	SU5018424	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 14,500.00	11/21/2005	16749	MONUMENT
SJD Partners	SU5018427	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 342,692.00	11/21/2005	16749	LANDSCAPE
SJD Partners	SU5018428	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 611,125.00	11/21/2005	16750	STORM DRAIN
SJD Partners	SU5018429	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 839,305.00	11/21/2005	16750	LANDSCAPE
SJD Partners	SU5018430	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 14,000.00	11/21/2005	16751	MONUMENT
SJD Partners	SU5018431	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 141,578.00	11/21/2005	16751	LANDSCAPE
SJD Partners		Arch	CITY OF SAN JUAN CAPISTRANO	\$ 38,500.00	11/21/2005	16752	MONUMENT
SJD Partners		Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,898,601.00	11/21/2005	16752	LANDSCAPE

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Schedule 12C-Bonds, Bond Claims and Parties Liable

Bond #	Carrier	Obligee	Bond Amount	Issued	Tracked	Description
SJD Partners SU5018541	Atch	CITY OF SAN JUAN CASTRANG	\$ 644,506.00	12/1/2005	15687	WATER (A STREET)
SJD Partners SU5019202	Atch	CITY OF SAN JUAN CASTRANG	\$ 1,012,000.00	1/24/2006	16750	SANITARY OFF-SITE SEWER
Bond Obligors: SJD Partners Ltd and Bruce & Kathy Elieff			\$ 37,472,869.00			

Northlake \*\* NO bonds issued to date on this project.

## EXHIBIT “8”

Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments
Marblehead	All American Asphalt	3/7/2008	\$ 1,344,441.71	#00106296 (Orange Co)	Arch Ins.	SUS014712-16 SUS014995-96	In Litigation V/Cr defending
Marblehead	BHB Engineering, Inc.	2/15/2008	\$ 1,896,328.58	#00103765 (Orange Co)	Arch Ins.	SUS014712-16, SUS014792, SUS014995-97, SUS014724	In Litigation Tom Davis Esq. defending; Request for Ltr Pendens filed 04/24/08
Marblehead	C. Weiss Pipeline Material, Inc. sub to BHB Engineering, Inc.	4/2/2008	\$ 44,554.35	#00103158 (Orange Co)	Arch Ins.	SUS014712-16, SUS014792, SUS014995-97, SUS014724	4/2/08-Notice provided but no proof of claim filed
Marblehead	Bouffreau Pipeline Corp., Bithell, Inc.	2/13/2008	\$ 1,527,907.50	(Orange Co)	Arch Ins.	SUS014791	Tom Davis Esq. Defending Settled, awaiting final execution documents
Marblehead	sub to Orange Coast Masonry	5/29/2008	\$ 8,299.00		Arch Ins.	SUS014716	
Marblehead	Bob McGinn Construction, Inc.	5/28/2008	\$ 410,090.00	#00107247 (Orange Co)	Doe Surety		Settled, awaiting final execution documents
Marblehead	Chino Grading, Inc.	6/27/2008	\$ 2,055,194.05	#0015765 (Orange Co)	Arch Ins.	SUS014712-16 SUS014724, SUS014792, SUS014995-97, SUS014966	In Litigation - Arch named in cross complaint in Bond litigation, Tom Davis, Esq. defending
Marblehead	The Collaborative West, Inc.	N/A	\$ 161,990.00	#00102641 (Orange Co)	Arch Ins.	SUS014712, 16, 25 SUS014795, SUS014992, 94	Arch denied claim 7/8/08 (\$161,990) In Litigation
Marblehead	The Jasper Companies, Inc. Orange County Striping Service, Inc.	2/13/2008 7/11/2008	\$ 145,656.95 7,352.27	#00083235 (Orange Co)	Arch Ins. Arch Ins.	SUS014720 SUS014995, SUS014966 SUS014715 SUS014720	Tom Davis Esq. defending In Litigation Tom Davis, Esq. defending Settled, awaiting final execution documents
Marblehead	Orange Coast Masonry Peterson Brothers Construction Inc.	5/30/2008 6/11/2008	\$ 174,879.50 16,733.30	#00087542 (Orange Co)	Arch Ins. Arch Ins.	SUS014712	In Litigation Tom Davis Esq. defending
Marblehead	inc. sub to Mesa Pacific Construction, Inc.	6/11/2008	\$ 905,542.23	#00160550 (Orange Co)	Arch Ins.	SUS014716	In Litigation Tom Davis Esq. defending
Marblehead	RH Masonry, Inc. sub to Mesa Pacific Construction, Inc.	6/17/2008	\$ 189,692.00	#00107444 (Orange Co)	Arch Ins.	SUS014716	In Litigation Tom Davis Esq. defending
Marblehead	RAM Contracting, Inc. dba: RAM Electrical Contracting	4/8/2008	\$ 284,748.10	#00104198 (Orange Co)	Arch Ins.	SUS014712	In Litigation Tom Davis Esq. defending
Marblehead	RAM Contracting, Inc. dba: RAM Electrical Contracting sub to Mesa Pacific Construction, Inc.	3/24/2008	\$ 419,610.00	#00104251 (Orange Co)	Arch Ins.	SUS014712 SUS014955-97 SUS014718	In Litigation Tom Davis Esq. defending
Marblehead	Savala Equipment Co.	1/16/2008	\$ 34,440.00	#0105765 (Orange Co)	Arch Ins.		8/8/08 Notice provided, but no proof of claim filed
Marblehead	StressCrete Limited	8/9/2008	\$ 129,885.00	#500802 (Riverside Co)	Arch Ins.	SUS014423	In Litigation Tom Davis Esq. defending
Oak Valley	At American Asphalt	7/7/2008	\$ 60,555.48		Arch Ins.		Arch. Response by Arch due 8/6/08. Arch has requested a 30 day extension to 9/5/08. BS: No proof of claim filed
Oak Valley	Hicres Contracting, Inc.	Arch: 6/27/08 BS: 7/11/2008	\$ 135,567.43	#00102681 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SUS012265 BS: 5014562	BS claim is estimated by attorneys at \$150,000 including the \$135,567 plus attorneys fees and interest. Litigation is pending with SunCal entity but bond companies have not been named

\*All Bond Obligors listed on Schedule 12C.

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Schedule 12C: Bonds, Bond Claims and Parties Liable

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments
SJD Partners (Pacific Point)	CITY of San Juan Capistrano (Abandonment)	2/2/2008	DEMAND		Arch Ins.	35N048457 SUE011700	3/10/08 City meeting
SJD Partners (Pacific Point)	CITY of San Juan Capistrano (Abandonment)	2/2/2008	DEMAND		Bond Safeguard	SUS021870	In Litigation VCT defending SunCal & Bond Safeguard, Ron Hopkins defending Arch
SJD Partners (Pacific Point)	All American Asphalt	4/14/2008	\$ 245,870.91	#00106297 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SUS050987 BS: 5021870, 5021866 5021874	In Litigation
SJD Partners (Pacific Point)	All American Asphalt sub to Beureau Pipeline	5/9/2008	\$ 7,858.08	#00087597 (Orange Co)	Arch Ins.	SUS014748	In Litigation VCT defending
SJD Partners (Pacific Point)	Boulevard Pipeline	2/29/2008	\$ 361,932.57	#00103344 (Orange Co)	Arch Ins.	SUS014746	In Litigation VCT defending
SJD Partners (Pacific Point)	Bova Contracting Corp.	2/16/2008	\$ 279,900.84		Arch Ins.	SUS018410 SUS005296 SUS006292 SUS018424	Settled - Settlement payments due until 12/2008. Settlement amount shown as claim amount.
SJD Partners (Pacific Point)	Bova Contracting Corp.	2/16/2008	\$ 1,478,256.95		Bond Safeguard	5020968 5021869-66, 5021871, 72, 73, 75 5025251-52, 5021867-69	Settled - Settlement payments due until 12/2008. Settlement amount shown as claim amount.
SJD Partners (Pacific Point)	China Grading, Inc.	4/11/2008	\$ 282,044.14	#00104565 (Orange Co)	Doe Surety	4235685 S020032815 SUS010092	In Litigation VCT defending
SJD Partners (Pacific Point)	Orange Coast Masonry Rocky Murata Landscaping, Inc.	6/19/2008	\$ 637,391.95		Arch Ins./ INSCO/ Bond Safeguard	BS: 5021862-64, 5021870-75, 5020968-65, 5025351-52, INSCO, 4235685 4235686 4235685 42356705	Settled, awaiting final execution documents
SJD Partners (Pacific Point)	Sierra Pacific Electrical Contracting	4/22/2008	\$ 48,453.00		Arch Ins.	SUS019405, 08, 14, 16, 20, 22, 27, 28, 31	3/15/08 Notice provided but no proof of claim filed
SJD Partners (Pacific Point)	Summers Murphy & Partners, Inc.	7/11/2008	\$ 8,350.00		Arch Ins.	33M04845700	7/18/08 Notice provided but no proof of claim filed
North Orange Del Rio	All American Asphalt	1/17/2008	\$ 124,037.20	#00106238 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SUS012907 BS: 5025400	In Litigation, White and Case defending Bond Safeguard & SunCal, Ron Hopkins defending Arch
North Orange Del Rio	All American Asphalt sub to Park West Landscape	2/14/2008	\$ 15,049.53	#00067248 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SUS012907 BS: 5025400	In Litigation, Ron Hopkins defending Arch White & Case defending Bond Safeguard and SunCal
North Orange Del Rio	Hillcrest Contracting, Inc.	6/4/2008	\$ 295,166.93		Arch Ins. & Bond Safeguard	Arch: SUS018605 BS: 5025400	Response by Arch due 6/6/08. Arch requesting 30 day extension due to pending settlement discussions. Response by Bond Safeguard due 8/7/08. Initial claim letters to Bond Safeguard and Arch indicate \$330, 000 claim
North Orange Del Rio	Integrity Concrete, Inc. sub to Hillcrest Contracting, Inc.	4/25/2008	\$ 49,816.00	#00103844 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SUS018646 SUS018606-06 BS: 5025400	In Litigation, Ron Hopkins defending Arch, White & Case defending SunCal & Bond Safeguard
North Orange Del Rio	Sierra Pacific Electrical Contracting	8/6/2008	\$ 143,038.71	#00108337 (Orange Co)	Bond Safeguard	5025400	In Litigation White & Case defending

\*All Bond Owners listed on Schedule 12C.

Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments
PSV - Avalon	Buevick, Inc.	6/17/2008	\$ 44,468.00		Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	Claim denied 8/6/08
PSV - Avalon	Desert Pipeline, Inc.	12/13/2007	\$ 354,865.83	#RCA95200	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending
PSV - Avalon	Mesa Pacific sub R & O Concrete	7/8/2008	\$ 52,940.80	#INC077619	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending
PSV - Avalon	Mesa Pacific sub White's Steel	5/8/2008	\$ 39,662.55	#INC 074507 (Indio branch)	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending
PSV - Avalon	Nissio of California sub GioWest Nurseries	2/27/2008	\$ 30,643.29	#INC 073503	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	Claim denied 4/8/08 In Litigation, VCT defending
PSV - Avalon	Nissio of California	4/7/2008	\$ 1,597,987.82	#INC 073503 (Indio branch)	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	Bond claim constitutes \$99,988.96 7/29/08 Notice provided, but no proof of claim filed In Litigation
PSV - Avalon	Orange County Shipping Service, Inc.	7/29/2008	\$ 29,636.75	#INC 073157	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending
PSV - Avalon	Pacific Masonry Walls	6/2/2008	\$ 314,061.23	#INC 073503 (Indio branch)	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending
PSV - Avalon	Schilling Corp.	4/17/2009	\$ 638,214.17	#INC 073503 (Indio branch)	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending
PSV - Avalon	S-Co Cal Sweepers	4/17/2008	\$ 35,280.00	#INC 076360 (Indio branch)	Arch & Bond Safeguard	Arch: 5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending Bond Safeguard Ron Hopkins defending Arch and SurCal
PSV - Avalon	West Coast R&R Inc.	7/29/2008	\$ 335,684.00	#INC077099	Bond Safeguard	5025375, 5025376, 5025377, 5025378, 5025379, 5025380, 5025381, 5025393	In Litigation VCT defending

\$ 22,183,424.22

\*All Bond Obligors listed on Schedule 12C.



**Schedule 12C-Bonds, Bond Claims and Parties Liable**

Project	Bond #	Carrier	Obligee	Bond Amount	Issued	Tract	Description
Marblehead	SU5013729	Arch	US ARMY CORPS OF ENGINEERS	\$ 295,200.00	1/19/2005	8817	Mitigation #200300978-CJF
Marblehead	SU5014712	Arch	CITY OF SAN CLEMENTE	\$ 1,707,100.00	5/4/2005	8817	STREET - LOTS 1-77
Marblehead	SU5014713	Arch	CITY OF SAN CLEMENTE	\$ 863,000.00	5/4/2005	8817	STREET - LOTS 78-120
Marblehead	SU5014714	Arch	CITY OF SAN CLEMENTE	\$ 751,000.00	5/4/2005	8817	STREET - LOTS 121-182
Marblehead	SU5014715	Arch	CITY OF SAN CLEMENTE	\$ 1,354,600.00	5/4/2005	8817	STREET - LOTS 183-313
Marblehead	SU5014716	Arch	CITY OF SAN CLEMENTE	\$ 1,858,866.00	5/4/2005	8817	COSTA AZUL, ARTEMISA & PARK ACCESS ROAD
Marblehead	SU5014717	Arch	CITY OF SAN CLEMENTE	\$ 180,000.00	5/4/2005	8817	ROUGH GRADING, WATERLINE RELOCATION
Marblehead	SU5014718	Arch	CITY OF SAN CLEMENTE	\$ 804,000.00	5/4/2005	8817	COMMERCIAL SERVICE ENTRY WALL
Marblehead	SU5014719	Arch	CITY OF SAN CLEMENTE	\$ 15,350.00	5/4/2005	8817	CANYON EDGE WALLS
Marblehead	SU5014720	Arch	CITY OF SAN CLEMENTE	\$ 1,005,000.00	5/4/2005	8817	RETAINING WALL
Marblehead	SU5014721	Arch	CITY OF SAN CLEMENTE	\$ 443,727.00	5/4/2005	8817	LANDSCAPE & GRADING LOT V - PRIVATE PARK
Marblehead	SU5014722	Arch	CITY OF SAN CLEMENTE	\$ 225,513.00	5/4/2005	8817	HABITAT MANAGEMENT PLAN
Marblehead	SU5014723	Arch	CITY OF SAN CLEMENTE	\$ 3,571,133.00	5/4/2005	8817	RESIDENTIAL STREETS LANDSCAPING
Marblehead	SU5014724	Arch	CITY OF SAN CLEMENTE	\$ 1,705,500.00	5/4/2005	8817	SCWD/JRWSS 27" WATERLINE AVH & AVE PICO
Marblehead	SU5014725	Arch	CITY OF SAN CLEMENTE	\$ 170,000.00	5/4/2005	8817	MONUMENTATION
Marblehead	SU5014726	Arch	CITY OF SAN CLEMENTE	\$ 4,671,000.00	5/4/2005	8817	ROUGH GRADING
Marblehead	SU5014727	Arch	CITY OF SAN CLEMENTE	\$ 221,100.00	5/4/2005	8817	CALTRANS GRADING
Marblehead	SU5014728	Arch	CITY OF SAN CLEMENTE	\$ 508,500.00	5/4/2005	8817	GRADING - LOTS 1-77
Marblehead	SU5014729	Arch	CITY OF SAN CLEMENTE	\$ 294,000.00	5/4/2005	8817	GRADING - LOTS 78-120
Marblehead	SU5014730	Arch	CITY OF SAN CLEMENTE	\$ 404,800.00	5/4/2005	8817	GRADING - LOTS 121-182
Marblehead	SU5014731	Arch	CITY OF SAN CLEMENTE	\$ 866,500.00	5/4/2005	8817	GRADING - LOTS 183-313
Marblehead	SU5014791	Arch	CITY OF SAN CLEMENTE	\$ 3,492,280.00	5/10/2005	8817	BACKBONE STORM DRAINS
Marblehead	SU5014792	Arch	CITY OF SAN CLEMENTE	\$ 1,409,100.00	6/2/2005	8817	AVH AND PICO SEWER/WATER/RECL WATER PLANS
Marblehead	SU5014794	Arch	CITY OF SAN CLEMENTE	\$ 3,696,388.00	5/10/2005	8817	URBAN RUNOFF BLOWALES, WETLANDS
Marblehead	SU5014795	Arch	CITY OF SAN CLEMENTE	\$ 9,101,200.00	5/10/2005	8817	AVENIDA VISTA HERMOSA BRIDGE
Marblehead	SU5014796	Arch	CITY OF SAN CLEMENTE	\$ 3,243,200.00	5/10/2005	8817	COMMERCIAL SITE BRIDGE
Marblehead	SU5014797	Arch	CITY OF SAN CLEMENTE	\$ 200,000.00	6/8/2005	8817	GRADING FOR BLUFF RESTORATION
Marblehead	SU5014986	Arch	CITY OF SAN CLEMENTE	\$ 59,946.00	5/23/2005	8817	MSE WALL PLANTING & IRRIGATION LANDSCAPE
Marblehead	SU5014987	Arch	CITY OF SAN CLEMENTE	\$ 1,135,905.00	5/23/2005	8817	GRADING FOR PICO PARK
Marblehead	SU5014988	Arch	CITY OF SAN CLEMENTE	\$ 3,261,370.00	5/23/2005	8817	GRADING FOR SPORTS PARK
Marblehead	SU5014989	Arch	CITY OF SAN CLEMENTE	\$ 658,851.00	5/23/2005	8817	GRADING FOR LOT N (G) PARK (Bluff)
Marblehead	SU5014990	Arch	CITY OF SAN CLEMENTE	\$ 686,819.00	5/23/2005	8817	GRADING FOR LOT R (H) PARK (Costa Azul)
Marblehead	SU5014991	Arch	CITY OF SAN CLEMENTE	\$ 165,028.00	5/23/2005	8817	AVENIDA PICO MEDIANS & PARKWAY
Marblehead	SU5014992	Arch	CITY OF SAN CLEMENTE	\$ 306,200.00	5/23/2005	8817	AVH MEDIANS & PARKWAY
Marblehead	SU5014993	Arch	CITY OF SAN CLEMENTE	\$ 1,532,785.00	5/23/2005	8817	TRAILS, INTERPRETIVE SIGNAGE
Marblehead	SU5014994	Arch	CITY OF SAN CLEMENTE	\$ 117,832.00	5/23/2005	8817	ENTRY MONUMENT SIGNAGE
Marblehead	SU5014995	Arch	CITY OF SAN CLEMENTE	\$ 1,765,526.00	5/23/2005	8817	AVH STREET IMPROVEMENTS
Marblehead	SU5014996	Arch	CITY OF SAN CLEMENTE	\$ 881,102.00	5/23/2005	8817	AVENIDA PICO STREET

**Schedule 12C-Bonds, Bond Claims and Parties Liable**

Project	Bond #	Carrier	Obligee	Bond Amount	Issued	Tract	Description
Marblehead	SU5014997	Arch	CITY OF SAN CLEMENTE	\$ 1,086,376.00	5/23/2005	8817	EL CAMINO REAL IMP
Marblehead	SU5015039	Arch	CITY OF SAN CLEMENTE	\$ 901,450.00	5/24/2005	8817	AVENIDA VISTA HERMOSA TRAFFIC SIGNAL
Marblehead	SU5015040	Arch	CITY OF SAN CLEMENTE	\$ 409,200.00	5/24/2005	8817	ENCROACHMENT #1204-SMC-0649
Marblehead	SU5015679	Arch	CALTRANS	\$ 225,000.00	7/5/2005	8817	CALLE DE LOS MOLINOS STREET
Marblehead	SU5017323	Arch	CITY OF SAN CLEMENTE	\$ 123,806.00	9/20/2005	8817	VIA SOCORRO STREET
Marblehead	SU5017324	Arch	CITY OF SAN CLEMENTE	\$ 97,919.00	9/20/2005	8817	ASSESSMENT SECURITY - RE643
Marblehead	K06916156	ACE	POINTE MARBLEHEAD HOA	\$ 34,900.00	9/21/2007	8817	ASSESSMENT SECURITY - RE643
Marblehead	5029548	Lexon	POINTE MARBLEHEAD HOA	\$ 12,338.00	10/26/2007	8817	ASSESSMENT SECURITY - RE643
Marblehead	5029563	Lexon	POINTE MARBLEHEAD HOA	\$ 12,973.00	11/8/2007	8817	ASSESSMENT SECURITY - RE643
Marblehead	5029564	Lexon	POINTE MARBLEHEAD HOA	\$ 11,525.00	11/8/2007	8817	ASSESSMENT SECURITY - RE643
<b>Bond Obligors: SunCal Marblehead LLC and Bruce &amp; Kathy Elieff</b>				<b>\$ 56,544,918.00</b>			
Heartland	0318701	IFIC	CITY OF BEAUMONT	\$ 792,000.00	3/13/2006		MITIGATION #1600-2004-0225-R6
Heartland	5029518	Lexon	CITY OF BEAUMONT	\$ 1,101,500.00	10/15/2007	27971-1	STREET, STORM DRAIN, SEWER
Heartland	5029519	Lexon	CITY OF BEAUMONT	\$ 1,064,000.00	10/15/2007	27971-2	STREET, STORM DRAIN, SEWER
Heartland	5029520	Lexon	CITY OF BEAUMONT	\$ 1,281,500.00	10/15/2007	27971-3	STREET, STORM DRAIN, SEWER
Heartland	5029521	Lexon	CITY OF BEAUMONT	\$ 1,091,000.00	10/15/2007	27971-4	STREET, STORM DRAIN, SEWER
Heartland	5029522	Lexon	CITY OF BEAUMONT	\$ 1,810,500.00	10/15/2007	27971-5	STREET, STORM DRAIN, SEWER
Heartland	5029523	Lexon	CITY OF BEAUMONT	\$ 978,500.00	10/15/2007	27971-6	STREET, STORM DRAIN, SEWER
Heartland	5029524	Lexon	CITY OF BEAUMONT	\$ 848,000.00	10/15/2007	27971-7	STREET, STORM DRAIN, SEWER
Heartland	5029525	Lexon	CITY OF BEAUMONT	\$ 1,253,000.00	10/15/2007	27971-8	STREET, STORM DRAIN, SEWER
Heartland	5029526	Lexon	CITY OF BEAUMONT	\$ 1,457,500.00	10/15/2007	27971-9	STREET, STORM DRAIN, SEWER
Heartland	5029527	Lexon	CITY OF BEAUMONT	\$ 1,966,500.00	10/15/2007	27971-10	STREET, STORM DRAIN, SEWER
Heartland	5029528	Lexon	CITY OF BEAUMONT	\$ 622,000.00	10/15/2007	27971-11	STREET, STORM DRAIN, SEWER
Heartland	5029529	Lexon	CITY OF BEAUMONT	\$ 614,000.00	10/15/2007	27971	STREET, STORM DRAIN, SEWER
Heartland	5029530	Lexon	CITY OF BEAUMONT	\$ 27,700.00	10/15/2007	27971-1	MONUMENT
Heartland	5029531	Lexon	CITY OF BEAUMONT	\$ 24,120.00	10/15/2007	27971-2	MONUMENT
Heartland	5029532	Lexon	CITY OF BEAUMONT	\$ 33,120.00	10/15/2007	27971-3	MONUMENT
Heartland	5029533	Lexon	CITY OF BEAUMONT	\$ 27,700.00	10/15/2007	27971-4	MONUMENT
Heartland	5029534	Lexon	CITY OF BEAUMONT	\$ 49,400.00	10/15/2007	27971-5	MONUMENT
Heartland	5029535	Lexon	CITY OF BEAUMONT	\$ 27,300.00	10/15/2007	27971-6	MONUMENT
Heartland	5029536	Lexon	CITY OF BEAUMONT	\$ 26,300.00	10/15/2007	27971-7	MONUMENT
Heartland	5029537	Lexon	CITY OF BEAUMONT	\$ 33,500.00	10/15/2007	27971-8	MONUMENT
Heartland	5029538	Lexon	CITY OF BEAUMONT	\$ 41,300.00	10/15/2007	27971-9	MONUMENT
Heartland	5029539	Lexon	CITY OF BEAUMONT	\$ 56,500.00	10/15/2007	27971-10	MONUMENT
Heartland	5029540	Lexon	CITY OF BEAUMONT	\$ 21,800.00	10/15/2007	27971-11	MONUMENT
Heartland	5029541	Lexon	CITY OF BEAUMONT	\$ 23,700.00	10/15/2007	27971	MONUMENT
Heartland	5029542	Lexon	CITY OF BEAUMONT	\$ 2,891,000.00	10/15/2007	27971	INFRASTRUCTURE STORM DRAIN & SEWER

**Schedule 12C-Bonds, Bond Claims and Parties Liable**

Project	Bond #	Carrier	Obligee	Bond Amount	Issued	Tract	Description
Heartland	5029543	Lexon	CITY OF BEAUMONT	\$ 4,564,000.00	10/15/2007	27971	INFRASTRUCTURE STREET
Heartland	5029552	Lexon	CITY OF BEAUMONT	\$ 2,800,000.00	10/31/2007	27971	PARK SITE & TRAIL
Heartland	5029553	Lexon	CITY OF BEAUMONT	\$ 3,420,000.00	10/31/2007	27971	POTRERO BRIDGE & ACCESS ROAD
<b>Bond Obligors: SunCal Heartland LLC and Bruce &amp; Kathy Elieff</b>				<b>\$ 28,947,440.00</b>			
<b>Bond Obligors: SCC Acquisitions, Inc and Bruce &amp; Kathy Elieff</b>				<b>\$ 1,281,000.00</b>			
Emerald Meadows	K06916120	ACE	COUNTY OF RIVERSIDE	\$ 331,000.00	9/17/2007	32971	STREET & DRAINAGE
Emerald Meadows	K06916132	ACE	CALTRANS	\$ 475,000.00	9/17/2007		HIGHWAY ENCROACHMENT (ON RAMP)
Emerald Meadows	K06916144	ACE	CALTRANS	\$ 475,000.00	9/17/2007		HIGHWAY ENCROACHMENT (OFF RAMP)
<b>Bond Obligors: SCC Acquisitions, Inc and Bruce &amp; Kathy Elieff</b>				<b>\$ 1,281,000.00</b>			
Oak Valley (Champions)	SU5008349	Arch	CITY OF CALIMESA	\$ 1,425,419.00	6/3/2004		J & G ST ALIGNMENT
Oak Valley (Champions)	SU5010686	Arch	US ARMY CORPS OF ENG	\$ 673,865.00	9/13/2005		MITIGATION
Oak Valley (Champions)	SU5012365	Arch	CITY OF BEAUMONT	\$ 3,662,000.00	12/22/2004	31462	STREET/SEWER
Oak Valley (Champions)	SU5012366	Arch	CITY OF BEAUMONT	\$ 541,000.00	12/22/2004	31462	STORM DRAIN LINES B,G,J,K
Oak Valley (Champions)	SU5012367	Arch	CITY OF BEAUMONT	\$ 2,082,000.00	12/22/2004	31462	STORM DRAIN LINES D,E,F
Oak Valley (Champions)	SU5012368	Arch	CITY OF BEAUMONT	\$ 131,000.00	12/22/2004	31462	STORM DRAIN LINES H,I
Oak Valley (Champions)	SU5012369	Arch	CITY OF BEAUMONT	\$ 246,584.00	12/22/2004	31462-1	STREET/SEWER
Oak Valley (Champions)	SU5012370	Arch	CITY OF BEAUMONT	\$ 340,000.00	12/22/2004	31462-2	STREET/DRAINAGE/SEWER
Oak Valley (Champions)	SU5012371	Arch	CITY OF BEAUMONT	\$ 343,000.00	12/22/2004	31462-3	STREET/DRAINAGE/SEWER
Oak Valley (Champions)	SU5012372	Arch	CITY OF BEAUMONT	\$ 159,032.00	12/22/2004	31462-4	STREET/SEWER
Oak Valley (Champions)	SU5012373	Arch	CITY OF BEAUMONT	\$ 540,000.00	12/22/2004	31462-6	STREET/DRAINAGE/SEWER
Oak Valley (Champions)	SU5014598	Arch	BEAUMONT-CHERRY VALLEY WATER DIST	\$ 599,508.00	4/29/2005		CONTINGENT GUARANTEE
Oak Valley (Champions)	SU5015421	Arch	FAIRWAY CANYON COMM ASSN	\$ 616,860.00	6/15/2005	31462	SUBSIDY
Oak Valley (Champions)	SU5015422	Arch	FAIRWAY CANYON COMM ASSN	\$ 218,772.00	6/15/2005	31462	COMMON FACILITIES-LANDSCAPING
Oak Valley (Fairway)	2059753	NAS	FAIRWAY CANYON COMM ASSN	\$ 2,424,601.00	10/18/2006	31462	SUBSIDY
Oak Valley (Fairway)	5014543	Lexon	CITY OF BEAUMONT	\$ 311,432.00	3/6/2006	31462-9	STREET & SEWER
Oak Valley (Fairway)	5014544	Lexon	CITY OF BEAUMONT	\$ 167,946.00	3/6/2006	31462-15	STREET & SEWER
Oak Valley (Fairway)	5014545	Lexon	CITY OF BEAUMONT	\$ 260,623.00	3/6/2006	31462-14	STREET & SEWER
Oak Valley (Fairway)	5014546	Lexon	CITY OF BEAUMONT	\$ 49,909.00	3/6/2006	31462-13	STREET & SEWER
Oak Valley (Fairway)	5014547	Lexon	CITY OF BEAUMONT	\$ 59,599.00	3/6/2006	31462-12	STREET & SEWER
Oak Valley (Fairway)	5014548	Lexon	CITY OF BEAUMONT	\$ 165,954.00	3/6/2006	31462-11	STREET & SEWER
Oak Valley (Fairway)	5014549	Lexon	CITY OF BEAUMONT	\$ 147,237.00	3/6/2006	31462	STORM DRAIN
Oak Valley (Fairway)	5014550	Lexon	CITY OF BEAUMONT	\$ 456,080.00	3/6/2006	31462	STORM DRAIN
Oak Valley (Fairway)	5014551	Lexon	CITY OF BEAUMONT	\$ 1,182,063.00	3/6/2006	31462-14&15	STORM DRAINS
Oak Valley (Fairway)	5014552	Lexon	CITY OF BEAUMONT	\$ 2,146,407.00	3/6/2006	31462	STREETS
Oak Valley (Fairway)	5014553	Lexon	CITY OF BEAUMONT	\$ 1,949,415.00	3/6/2006	31462	STREETS
Oak Valley (Fairway)	5024786	Lexon	CITY OF BEAUMONT	\$ 869,060.00	3/7/2007	31462-8	TUNNEL PLAN, T3

Schedule 12C-Bonds, Bond Claims and Parties Liabile

Project	Bond #	Carrier	Obligee	Bond Amount	Issued	Tract	Description
Oak Valley (Fairway)	5026528	Lexon	CITY OF BEALMONT	\$ 4,352,797.15	6/21/2007	31462	OAK VALLEY PARKWAY STREET
Oak Valley (Fairway)	5029549	Lexon	CALTRANS	\$ 127,400.00	10/26/2007		ENCROACHMENT PERM T #08-04-6-SN-1054
Bond Obligors: SLBIL-Suncal Oak Valley LLC and SCC/Oak Valley LLC and Bruce & Kathy Elieff				\$ 26,167,563.15			

Beaumont Heights      **\*\* NO bonds issued to date on this project.**

Summit Valley      **\*\* NO bonds issued to date on this project.**

Bickford Ranch	5020974	Lexon	PLACER COUNTY WATER	\$ 2,500,000.00	8/1/2006		CAPERTON CANAL RELOCATION
Bickford Ranch	5024793	Lexon	PLACER COUNTY	\$ 327,518.00	4/3/2007	918	MONUMENTATION
Bond Obligors: Suncal Bickford Ranch LLC and Bruce & Kathy Elieff				\$ 2,827,518.00			

Johansen Ranch      **\*\* NO bonds issued to date on this project.**

<b>aka Ritter Ranch</b>							
Palmdale Hills	5020969	Lexon	CITY OF PALMDALE	\$ 573,400.00	6/26/2006	ELIZABETH LAKE	GRADING
Palmdale Hills	5020971	Lexon	CITY OF PALMDALE	\$ 522,700.00	7/24/2006	ELIZABETH LAKE	STREET - 2 LANES ONLY
Palmdale Hills	5020972	Lexon	CITY OF PALMDALE	\$ 4,235,900.00	7/24/2006	ELIZABETH LAKE	STREET - LESS 2 LANES
Palmdale Hills	5020973	Lexon	CITY OF PALMDALE	\$ 2,107,100.00	7/24/2006	ELIZABETH LAKE	DRAINAGE
Palmdale Hills	5025385	Lexon	CITY OF PALMDALE	\$ 150,700.00	11/10/2006	51508-02	SECONDARY ACCESS ROAD
Palmdale Hills	5024751	Lexon	CITY OF PALMDALE	\$ 19,500.00	12/18/2006	51508-02	GRADING - SECONDARY ACCESS RD
Palmdale Hills	5024772	Lexon	CITY OF PALMDALE	\$ 433,000.00	3/1/2007		SEWER LIFT STATION
Palmdale Hills	5024800	Lexon	CITY OF PALMDALE	\$ 5,900.00	4/16/2007	51508-01	GRADING - INFO CENTER
Palmdale Hills	5026507	Lexon	CITY OF PALMDALE	\$ 2,748,000.00	5/16/2007	ELIZABETH LAKE	LANDSCAPING
Palmdale Hills	5026526	Lexon	CITY OF PALMDALE	\$ 163,500.00	6/12/2007	51508-01	BIO-BASIN
Palmdale Hills	5026530	Lexon	CITY OF PALMDALE	\$ 2,276,200.00	6/21/2007	51508-03	STREET, SEWER, DRAINAGE & WATER
Palmdale Hills	5026531	Lexon	CITY OF PALMDALE	\$ 1,784,700.00	6/21/2007	51508-03	GRADING
Palmdale Hills	5026546	Lexon	CITY OF PALMDALE	\$ 25,300.00	7/18/2007	51508-01	WATERWHEEL ENTRY MONUMENT
Palmdale Hills	5029509	Lexon	CITY OF PALMDALE	\$ 13,000.00	9/19/2007	51508-01	GRADING - RECREATION CENTER
Palmdale Hills	SU5012719	Arch	CITY OF PALMDALE	\$ 1,186,225.00	1/7/2005	51508	GRADING BOND
Palmdale Hills	SU5012909	Arch	CITY OF PALMDALE	\$ 675,500.00	1/24/2005	51508-01	STREET IMPROVEMENTS
Palmdale Hills	SU5012910	Arch	CITY OF PALMDALE	\$ 129,750.00	1/24/2005	51508-01	SEWER IMPROVEMENTS
Palmdale Hills	SU5012911	Arch	CITY OF PALMDALE	\$ 694,500.00	1/24/2005	51508-01	DRAINAGE IMPROVEMENTS
Palmdale Hills	SU5012912	Arch	CITY OF PALMDALE	\$ 306,500.00	1/24/2005	51508-01	WATER IMPROVEMENTS
Palmdale Hills	SU5012913	Arch	CITY OF PALMDALE	\$ 668,400.00	1/24/2005	51508-01	LANDSCAPING IMPROVEMENTS
Palmdale Hills	SU5012915	Arch	CITY OF PALMDALE	\$ 454,700.00	1/24/2005	51508-02	STREET IMPROVEMENTS

**Schedule 12C-Bonds, Bond Claims and Parties Liable**

Project	Bond #	Carrier	Obligee	Bond Amount	Issued	Tract	Description			
Palmdale Hills	SU5012916	Arch	CITY OF PALMDALE	\$ 112,900.00	1/24/2005	51508-02	SEWER IMPROVEMENTS			
Palmdale Hills	SU5012917	Arch	CITY OF PALMDALE	\$ 555,300.00	1/24/2005	51508-02	OFF-SITE SEWER IMPR			
Palmdale Hills	SU5012918	Arch	CITY OF PALMDALE	\$ 151,050.00	1/24/2005	51508-02	DRAINAGE IMPROVEMENTS			
Palmdale Hills	SU5012919	Arch	CITY OF PALMDALE	\$ 144,000.00	1/24/2005	51508-02	WATER IMPROVEMENTS			
Palmdale Hills	SU5012920	Arch	CITY OF PALMDALE	\$ 317,300.00	1/24/2005	51508-02	LANDCAPING IMPROVEMENTS			
Palmdale Hills	SU5014359	Arch	CITY OF PALMDALE	\$ 4,229,500.00	4/20/2005	ELIZABETH LAKE	STREET IMPROVEMENTS			
Palmdale Hills	SU5014360	Arch	CITY OF PALMDALE	\$ 404,800.00	4/20/2005	ELIZABETH LAKE	ST LIGHT IMPROVEMENTS			
Palmdale Hills	SU5014361	Arch	CITY OF PALMDALE	\$ 1,224,800.00	4/20/2005	ELIZABETH LAKE	SEWER IMPROVEMENTS			
Palmdale Hills	SU5014362	Arch	CITY OF PALMDALE	\$ 305,050.00	4/20/2005	ELIZABETH LAKE	DRAINAGE IMPROVEMENTS			
Palmdale Hills	SU5014363	Arch	CITY OF PALMDALE	\$ 1,266,200.00	4/20/2005	ELIZABETH LAKE	WATER IMPROVEMENTS			
Palmdale Hills	SU5014365	Arch	CITY OF PALMDALE	\$ 17,572.00	4/20/2005	ELIZABETH LAKE	GRADING BOND			
Palmdale Hills	SU5019404	Arch	CITY OF PALMDALE	\$ 92,000.00	2/6/2006	51508	BIO-BASIN			
Bond Obligors: Palmdale Hills Property LLC and Bruce & Kathy Ellett				\$ 27,991,947.00						
Action Estates				5025398	Lexon	COUNTY OF LOS ANGELES	\$ 1,290,000.00	12/5/2006	43526	GRADING PERMIT
Bond Obligors: Action Estates LLC and Bruce & Kathy Ellett				\$ 1,290,000.00						
aka Pacific Point										
SJD Partners	186045	NAS	CALTRANS	\$ 50,000.00	5/12/2006		ENCROACHMENT IMPROVEMENTS			
SJD Partners	3SMC4845700	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 3,911,458.00	10/2/2005		GRADING			
SJD Partners	4235685	INSCO	CITY OF SAN JUAN CAPISTRANO	\$ 3,266,158.00	9/15/1997		REMEDIAL GRADING			
SJD Partners	4235695	INSCO	CITY OF SAN JUAN CAPISTRANO	\$ 2,791,268.00	9/15/1997		SLOPE DRAINAGE			
SJD Partners	4235705	INSCO	CITY OF SAN JUAN CAPISTRANO	\$ 221,735.00	9/15/1997		WATER - AVENIDA CALIFORNIA			
SJD Partners	5020968	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 70,005.00	6/21/2006	16750	STREET			
SJD Partners	5021862	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 319,287.00	9/11/2006	15609	STORM DRAIN			
SJD Partners	5021863	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 343,468.00	9/11/2006	15609	SANITARY SEWER			
SJD Partners	5021864	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 378,797.00	9/11/2006	15609	WATER			
SJD Partners	5021865	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 114,291.00	9/11/2006	15609	STREET			
SJD Partners	5021866	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 710,192.00	9/11/2006	16752	STORM DRAIN			
SJD Partners	5021867	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 476,943.00	9/11/2006	16752	SANITARY SEWER			
SJD Partners	5021868	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 354,676.00	9/11/2006	16752	WATER			
SJD Partners	5021869	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 262,073.00	9/11/2006	16752	STREET			
SJD Partners	5021870	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 1,639,486.00	9/11/2006	16747	STORM DRAIN			
SJD Partners	5021871	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 1,537,973.00	9/11/2006	16747	SANITARY SEWER			
SJD Partners	5021872	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 434,156.00	9/11/2006	16747	WATER			
SJD Partners	5021873	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 763,671.00	9/11/2006	16747				

Schedule 12C-Bonds, Bond Claims and Parties Liable

Project	Bond #	Carrier	Obligee	Bond Amount	Issued	Tract	Description
SJD Partners	5021874	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 219,070.00	9/1/2006	16751	STREET
SJD Partners	5021875	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 78,031.00	9/1/2006	16751	STORM DRAIN
SJD Partners	5025351	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 83,952.00	9/1/2006	16751	SANITARY SEWER
SJD Partners	5025352	Lexon	CITY OF SAN JUAN CAPISTRANO	\$ 53,215.00	9/1/2006	16751	WATER
SJD Partners	SD00031627	Frontier	CITY OF SAN JUAN CAPISTRANO	\$ 255,925.00	8/14/2000	14196	STORM DRAIN
SJD Partners	SD00082815	Frontier	CITY OF SAN JUAN CAPISTRANO	\$ 78,408.00	10/6/1999	15687	GRADING
SJD Partners	SU5002773	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 33,795.00	9/10/2005		WTR IMPR VALLE ROAD
SJD Partners	SU5005286	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 910,607.00	3/5/2004		STORM DRAIN & TRAFFIC CONTROL
SJD Partners	SU5005287	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 321,533.00	3/5/2004	14196	STREET "A" STREET
SJD Partners	SU5005288	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 34,686.00	3/5/2004		SEWER RELOCATION THRU CALTRANS YARD
SJD Partners	SU5005289	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 306,796.00	3/5/2004		SWR & STS & TRAFFIC CONTROL
SJD Partners	SU5005290	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 213,412.00	3/5/2004	14196	STORM DRAIN (STREET "A")
SJD Partners	SU5005291	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 127,871.00	3/5/2004	14196	SEWER (STREET "A")
SJD Partners	SU5005292	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 142,650.00	3/5/2004		STORM DRAIN (VALLE ROAD N.)
SJD Partners	SU5010032	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,198,048.00	8/20/2004	15609	GRADING--760 ZONE RESERVOIR
SJD Partners	SU5010973	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 415,030.00	10/5/2004	14196	WATER-CALITACAMINO LAS RAMBLAS
SJD Partners	SU5011582	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 245,300.00	11/4/2004		WATER McCRACKEN HILLS RESERVOIR
SJD Partners	SU5013285	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,566,672.00	2/17/2005		760S RESERVOIR
SJD Partners	SU5014748	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 2,783,794.00	5/9/2005		760S RESERVOIR
SJD Partners	SU5014774	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 303,509.00	5/9/2005	15687	PACIFIC SAN JUAN-A ST WATER
SJD Partners	SU5018406	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 620,766.00	11/21/2005	14196	LANDSCAPE
SJD Partners	SU5018407	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 15,600.00	11/21/2005	15609	MONUMENT
SJD Partners	SU5018408	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 678,850.00	11/21/2005	15609	LANDSCAPE
SJD Partners	SU5018409	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 10,500.00	11/21/2005	15687	MONUMENT
SJD Partners	SU5018410	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 529,000.00	11/21/2005	15687	STORM DRAIN
SJD Partners	SU5018411	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,180,000.00	11/21/2005	15687	STREET
SJD Partners	SU5018412	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 280,000.00	11/21/2005	15687	SEWER
SJD Partners	SU5018414	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 157,551.00	11/21/2005	15687	LANDSCAPE
SJD Partners	SU5018415	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 18,500.00	11/21/2005	16747	MONUMENT
SJD Partners	SU5018416	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 923,526.00	11/21/2005	16747	LANDSCAPE
SJD Partners	SU5018420	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 471,928.00	11/21/2005	16748	LANDSCAPE
SJD Partners	SU5018421	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 14,500.00	11/21/2005	16749	MONUMENT
SJD Partners	SU5018422	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 342,692.00	11/21/2005	16749	LANDSCAPE
SJD Partners	SU5018424	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 611,125.00	11/21/2005	16750	STORM DRAIN
SJD Partners	SU5018427	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 839,305.00	11/21/2005	16750	LANDSCAPE
SJD Partners	SU5018428	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 14,000.00	11/21/2005	16751	MONUMENT
SJD Partners	SU5018429	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 141,578.00	11/21/2005	16751	LANDSCAPE
SJD Partners	SU5018430	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 38,500.00	11/21/2005	16752	MONUMENT
SJD Partners	SU5018431	Arch	CITY OF SAN JUAN CAPISTRANO	\$ 1,898,601.00	11/21/2005	16752	LANDSCAPE

**Schedule 12C-Bonds, Bond Claims and Parties Liable**

Project	Bond #	Carrier	Obligor	Bond Amount	Issued	Tract	Description
SJD Partners	SU5018541	Arch	CITY OF SAN JUAN CASTRANO	\$ 644,506.00	12/1/2005	16687	WATER (A STREET)
SJD Partners	SU5019282	Arch	CITY OF SAN JUAN CASTRANO	\$ 1,012,000.00	1/24/2006	16750	SANITARY OFF-SITE SEWER
Bond Obligors: SJD Partners Ltd and Bruce & Kathy Ellett				<u>\$ 37,472,869.00</u>			
<b>Northlake</b>							
<b>**NO bonds issued to date on this project.</b>							
North Orange Del Rio	5025393	Lexon	CITY OF ORANGE	\$ 2,809,945.00	11/13/2006	16768	SPORT PARK
North Orange Del Rio	SU5010040	Arch	CITY OF ORANGE	\$ 350,000.00	1/25/2005	16768	GRADING BOND

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SCHEDULE 13 TO SETTLEMENT AGREEMENT  
Pre-Closing Designated Payment and Performance Bonds



## EXHIBIT “9”

As of 5/30/2008

Schedule 13-Designated Payment Performance Bonds

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments*
Marblehead	All American Asphalt #105598	3/18/2008	\$ 1,391,302.70	#00106286 (Orange Co)	Arch Ins.	SU5014712-16 SU5014995-96	In Litigation-VCT defending
Marblehead	BnB Engineering, Inc. #105671	2/15/2008	\$ 1,698,326.59	#00105765 (Orange Co)	Arch Ins.	SU5014712-17 SU5014792 SU5014995-97	In Litigation-Tom Davis Esq. Defending; Request for Lis Pendens filed
Marblehead	C. Wells Pipeline Material sub BnB Engineering #105671	N/A	\$ 44,554.35		Arch Ins.	SU5014724 SU5014792	4/2/08-Notice provided but no proof of claim filed
Marblehead	Boudreau Pipeline #111705	2/13/2008	\$ 1,527,907.90	#00103158 (Orange Co)	Arch Ins.	SU5014791	In Litigation Tom Davis Esq. defending
Marblehead	The Collaborative West The Jasper Companies #111744	N/A	\$ 161,990.00		Arch Ins.	SU5014712, 16, 25 SU5014786, SU5014992, 94	5/9/08-Notice provided but no proof of claim filed
Marblehead	RMF dba: R&M Electrical #115600	2/13/2008	\$ 146,656.95	#00102841 (Orange Co)	Arch Ins.	SU5014720	In Litigation Tom Davis Esq. defending
Marblehead	RMF dba: R&M Electrical #115600 sub Mesa Pacific	3/17/2008	\$ 264,748.10	#00104196 (Orange Co)	Arch Ins.	SU5014712	In Litigation Tom Davis Esq. defending
Marblehead	Savala Equipment Co. #118438	4/21/2008	\$ 419,010.00	#00104251 (Orange Co)	Arch Ins.	SU5014712 SU5014995-97 SU5014718	In Litigation Tom Davis Esq. defending 4/17/08-Arch denied but anticipate further claim activity
Archon Estates	Professional Pipeline & Excavating #106415	2/14/2008	\$ 11,312.37	#BC384274 (Los Angeles)	Arch Ins. & Bond Safeguard	No applicable bond/see Palmdale Hills claim below SU5020909 SU5024772 SU5012719 SU5012912 SU5014359, 61, 62, 63, 65	In Litigation-VCT defending Linked to Palmdale lawsuit below
Palmdale Hills (Ritter Ranch)	Professional Pipeline & Excavating #106415	2/14/2008	\$ 2,186,081.30	#BC384274 (Los Angeles)	Arch Ins. & Bond Safeguard		In Litigation-VCT defending
Palmdale Hills (Ritter Ranch)	Samrod Corporation #114473	3/17/2008	\$ 61,743.27		Arch Ins.	SU5012719	5/2/08 Arch denied claim but anticipate further claim activity
Palmdale Hills (Ritter Ranch)	Sierra Cascade #107652	2/21/2008	\$ 107,334.19	#MCO19186 (Los Angeles)	Arch Ins.	SU5012912 SU5012919 SU5014363	In Litigation Ron Hopkins Esq. defending Arch, VCT defending SunCal & Bond Safeguard 5/13/08 Arch denied claim but anticipate further claim activity

\*All Bond Obligors listed on Schedule 12C

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As of 5/30/2008

Schedule 13-Designated Payment Performance Bonds

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments*
SJD Partners (Pacific Point)	All American Asphalt #105599	4/14/2008	\$ 245,870.90	#00106287 (Orange County)	Arch Inc.	SU5035287	In Litigation-VCT defending
SJD Partners (Pacific Point)	All American Asphalt as sub to Boudreau Pipeline	5/9/2008	\$ 7,858.04	#00067597 (Orange County)	Arch Inc.	SU5005287	In Litigation-VCT defending
SJD Partners (Pacific Point)	Boudreau Pipeline #111705	2/29/2008	\$ 961,932.57	#00103344 (Orange Co)	Arch Ins.	SU5014746	In Litigation-VCT defending
SJD Partners (Pacific Point)	Bova Contracting Corp. #105676	2/19/2008	\$ 312,504.84		Arch Ins.	SU5018410 SU5005286 SU5005292 SU5018424	6/14/08 Response due to Arch Negotiations are underway to settle this matter
SJD Partners (Pacific Point)	Bova Contracting Corp. #105676	2/19/2008	\$ 1,642,771.30		Bond Safeguard (Lexon)	5020988 5021863- 55 5021871,72,73,75 5025351-52 5021867-59	Negotiations are underway to settle this matter
SJD Partners (Pacific Point)	Chiro Grading, Inc	4/11/2008	\$ 282,044.14	#00104865 (Orange Co)	Doe Surety	423568S 423568S SD000082815 SU5010032	In Litigation, VCT defending
SJD Partners (Pacific Point)	Rockey Murata Landscape #106450	N/A	\$ 743,971.94		Arch Ins.	SU5018406, 08, 14, 16, 20, 22, 27, 29, 31	3/13/08-Notice provided but no proof of claim filed
SJD Partners (Pacific Point)	Sierra Pacific Electrical #106533	4/2/2008	\$ 49,841.75		Arch (Amico)	3SM04845700	5/2/08 response due to Arch
			Total:	\$12,622,374.36			

Bond Company Contact Information

Arch Insurance Company  
135 N. Los Robles Ave., Ste. 825  
Pasadena, CA 91101  
Ken Huff, Assistant Vice President, Surety Claims  
Susan Neff, Senior Surety Counsel  
(626) 639-5200

Bond Safeguard/Lexon Insurance Companies  
256 Jackson Meadows Dr., Ste 201  
Hermitage, TN 37076  
Vicki Batson, Legal Assistant  
(615) 690-0325

## EXHIBIT “10”

**Schedule 13-Designated Payment Performance Bonds**

Project	Vendor	Filed	Claim Amount	Case No.	Carrier	Bond No.	Comments
Marblehead	All American Asphalt	3/14/2008	\$ 1,344,441.71	#00106296 (Orange Co)	Arch. Ins.	SU5014712-16, SU5014995-96	In Litigation VCT defending
Marblehead	BnB Engineering, Inc.	2/15/2008	\$ 1,696,326.59	#00105765 (Orange Co)	Arch Ins.	SU5014712-16, SU6014792, SU5014995-97, SU5014724	In Litigation Tom Davis Esq, defending; Request for Lis Pendens filed 04/24/08
Marblehead	C. Wells Pipeline Material, Inc. sub to BnB Engineering, Inc.	4/2/2008	\$ 44,554.35		Arch Ins.	SU5014792, SU5014995-97, SU5014724	4/2/08-Notice provided but no proof of claim filed
Marblehead	Boudreau Pipeline Corp.	2/13/2008	\$ 1,527,907.90	#00103158 (Orange Co)	Arch Ins.	SU5014791	Tom Davis Esq. Defending
Marblehead	Bithell, Inc sub to Orange Coast Masonry	5/29/2008	\$ 8,288.00		Arch Ins.	SU5014715	Settled, awaiting final execution documents
Marblehead	Bob McGrann Construction, Inc.	5/28/2008	\$ 410,090.00	#00107247 (Orange Co)	Doe Surety	SU5014724, SU501 4792	Settled, awaiting final execution documents.
Marblehead	Chino Grading, Inc.	6/27/2008	\$ 2,065,194.05	#0015765 (Orange Co)	Arch Ins.	SU5014995-97, SU5014998	In Litigation - Arch named in cross complaint in BnB litigation, Tom Davis, Esq defending
Marblehead	The Collaborative West, Inc.	N/A	\$ 161,990.00		Arch Ins.	SU5014712, 15, 25 SU5014796, SU5014992, 94	Arch denied claim 7/8/08 (\$161,990)
Marblehead	The Jasper Companies, Inc. Orange County Striping Service, Inc.	2/13/2008	\$ 146,656.95	#00102841 (Orange Co)	Arch Ins.	SU5014720	In Litigation Tom Davis Esq. defending
Marblehead	Orange Coast Masonry	7/11/2008	\$ 7,352.27	#00083255 (Orange Co)	Arch Ins.	SU5014995 SU5014996	In Litigation Tom Davis, Esq defending
Marblehead	Peterson Brothers Construction Inc.	5/30/2008	\$ 174,878.50		Arch Ins.	SU5014715 SU5014720	Settled, awaiting final execution documents
Marblehead	Peterson Brothers Construction, Inc. sub to Mesa Pacific Construction, Inc.	6/11/2008	\$ 16,793.90	#00067542 (Orange Co)	Arch Ins.	SU5014712	In Litigation Tom Davis Esq. defending
Marblehead	RH Masonry, Inc. sub to Mesa Pacific Construction, Inc.	6/11/2008	\$ 905,542.29	#00160650 (Orange Co)	Arch Ins.	SU5014716	In Litigation Tom Davis Esq. defending
Marblehead		6/17/2008	\$ 189,592.00	#00107444 (Orange Co)	Arch Ins.	SU5014716	In Litigation Tom Davis Esq. defending

Schedule 13-Designated Payment Performance Bonds

Marblehead	RMF Contracting, Inc. dba: R&M Electrical Contracting	4/8/2008	\$ 264,749.10	#00104196 (Orange Co)	Arch Ins.	SU5014712	In Litigation Tom Davis Esq. defending
Marblehead	RMF Contracting, Inc. dba: R&M Electrical Contracting sub to Mesa Pacific Construction, Inc.	3/24/2008	\$ 419,010.00	#00104251 (Orange Co)	Arch Ins.	SU5014712	In Litigation Tom Davis Esq. defending
Marblehead	Savala Equipment Co.	1/16/2008	\$ 34,440.00	#0105765 (Orange Co)	Arch Ins.	SU5014985-97 SU501471B	In Litigation Tom Davis Esq. defending
Marblehead	StressCrate Limited	8/6/2008	\$ 129,860.00		Arch Ins.		8/6/08 Notice provided, but no proof of claim filed
Oak Valley	Alli American Asphalt	7/7/2008	\$ 60,355.48	#500602 (Riverside Co)	Arch Ins.	SU5015423	In Litigation Tom Davis Esq. defending
Oak Valley	Hillcrest Contracting, Inc.	Arch: 6/27/08 BS: 7/11/2008	\$ 136,567.43	#00102681 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SU5012365 BS: 5014552	Arch: Response by Arch due 8/6/08. Arch has requested a 30 day extension to 9/5/08. BS: No proof of claim filed BS claim is estimated by attorneys at \$150,000 including the \$136,567 plus attorneys fees and interest Litigation is pending with SunCal entity but bond companies have not been named
Bickford Ranch	Marques Pipeline, Inc.	6/2/2008	\$ 330,118.00	#SCV23255 (Placer Co)	Bond Safeguard	SU5024793	In Litigation VCT defending
Acion Estates	Professional Pipeline Contractors, Inc.	2/14/2008		#BC384274 (Los Angeles Co)	Arch Ins. & Bond Safeguard	No applicable bond/see Palmdale Hills claim below	VCT defending. Settled, awaiting final execution documents. Settlement amount reflected under Palmdale Hills Property claim below.

Schedule 13-Designated Payment Performance Bonds

Palmdale Hills (Ritter Ranch)	Professional Pipeline Contractors, Inc.	2/14/2008	\$ 1,936,312.00	#BC384274 (Los Angeles Co)	Arch Ins. & Bond Safeguard	Arch: SU5020969 SU5024772 SU5012719 SU5012912 SU5014359, 61, 62, 63, 66 BS: 5020871-73 5025395, 5026530 5026546, 5026507 5026507, 5026525 5026502, 5026503 SU5024772	In Litigation VCT defending SunCa & Bond Safeguard, Ron Hopkins defending Arch. Settled, awaiting final execution documents. Settlement Amount shown as claim amount.
Palmdale Hills (Ritter Ranch)	Flow-Line Concrete sub to Professional Pipeline Contractors, Inc.	3/17/2008			Arch. Ins.	SU5012719	Flow-Line claim denied. Professional Pipeline litigation settled, awaiting final execution documents. Settlement amount reflected under Professional Pipeline Palmdale Hills Property claim below.
Palmdale Hills (Ritter Ranch)	Samrod Corporation	2/12/2008	\$ 202,716.75	#MC 018786 (Antelope Valley)	Arch Ins. & Bond Safeguard	Arch: SU5012909 BS: 5020972, 5020973	Settled awaiting final execution documents. Settlement Amount shown as claim amount.
Palmdale Hills (Ritter Ranch)	Sierra Cascade Construction, Inc.	2/25/2008	\$ 107,334.19	#MCO19382 #MCO19166 (Los Angeles Co)	Arch Ins.	SU5012912 SU5012919 SU5014363	In Litigation VCT defending
Palmdale Hills (Ritter Ranch)	Sierra Cascade Construction, Inc.	5/22/2008	\$ 403,262.44	#MCO19273 (Los Angeles)	Arch Ins.	SU5012910, SU5012911	In Litigation VCT defending
Palmdale Hills (Ritter Ranch)	Summers/Murphy & Partners, Inc.	7/11/2008	\$ 48,475.00		Arch Ins.	Unknown	7/18/08 Notice provided but no proof of claim filed
Palmdale Hills (Ritter Ranch)	The Masonry Group California Central, Inc.	7/23/2008	\$ 517,000.00	#BC394420 (Los Angeles Co)	Bond Safeguard	5026502	Settled awaiting final execution documents. Settlement Amount shown as claim amount.
SJD Partners (Pacific Point)	All American Asphalt	4/14/2008	\$ 245,870.91	#00106297 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SU5005287 BS: 5021870, 5021866 5021874	In Litigation VCT defending SunCal & Bond Safeguard, Ron Hopkins defending Arch
SJD Partners (Pacific Point)	All American Asphalt sub to Boudreau Pipeline	5/9/2008	\$ 7,858.08	#00067597 (Orange Co)	Arch Ins.	SU5014748	In Litigation VCT defending

Schedule 13-Designated Payment Performance Bonds

SJD Partners (Pacific Point)	Boudreau Pipeline	2/29/2008	\$ 951,932.57	#00103344 (Orange Co)	Arch Ins.	SU5014748 SU5018410 SU5005286 SU5005292 SU5018424	In Litigation VCT defending
SJD Partners (Pacific Point)	Bova Contracting Corp.	2/19/2008	\$ 279,900.84		Arch Ins.	5020966, 5021863-65, 5021871, 72, 73, 76 5025351-52, 5021867-69	Settled - Settlement payments due until 12/2008. Settlement amount shown as claim amount.
SJD Partners (Pacific Point)	Bova Contracting Corp.	2/19/2008	\$ 1,476,266.96		Bond Safeguard		Settled - Settlement payments due until 12/2008. Settlement amount shown as claim amount.
SJD Partners (Pacific Point)	Chino Grading, Inc.	4/11/2008	\$ 282,044.14	#00104866 (Orange Co)	Doe Surety Arch Ins./ INSCO/	423569S SD00082815 5021870-75, 5020968-69, 16, 20, 22, 27, 29, 31	In Litigation VCT defending
SJD Partners (Pacific Point)	Orange Coast Masonry	6/19/2008	\$ 687,391.95		Arch Ins.		Settled, awaiting final execution documents
SJD Partners (Pacific Point)	Rockey Murata Landscaping, Inc.	3/15/2008	\$ 743,971.94		Arch Ins.		3/15/08-Notice provided but no proof of claim filed
SJD Partners (Pacific Point)	Sierra Pacific Electrical Contracting	4/2/2008	\$ 48,453.00		Arch Ins. (Amico)		Settled as of 7/3/08. Settlement amount shown as claim amount.
SJD Partners (Pacific Point)	Summers/Murphy & Partners, Inc.	7/11/2008	\$ 8,350.00		Arch Ins.	3SMD4845700	7/18/08 Notice provided but no proof of claim filed
North Orange Del Rio	All American Asphalt	1/17/2008	\$ 124,037.20	#00106238 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SU5012997 BS: 5025400	In Litigation, White and Case
North Orange Del Rio	All American Asphalt sub to Park West Landscape	2/14/2008	\$ 15,049.55	#00067248 (Orange Co)	Arch Ins. & Bond Safeguard	Arch: SU5012997 BS: 5025400	In Litigation, Ron Hopkins
North Orange Del Rio	Hillcrest Contracting, Inc.	6/4/2008	\$ 295,166.93		Arch Ins. & Bond Safeguard	Arch: SU5018805 BS: 5025400	Response by Arch due 8/8/08 ; Arch requesting 30 day extension
North Orange Del Rio	Integrity Concrete, Inc. sub to Hillcrest Contracting,	4/25/2008	\$ 49,875.00	#00103844 (Orange Co)	Arch Ins. & Bond Safeguard	SU5018805-06 BS: 5025400	In Litigation, Ron Hopkins
North Orange Del Rio	Sierra Pacific Electrical Contracting	8/6/2008	\$ 143,098.71	#00108537 (Orange Co)	Bond Safeguard	5025400	In Litigation White & Case defending
PSV - Avalon	Brudvik, Inc.	5/17/2008	\$ 44,468.00		Bond Safeguard	5025377, 5025378 5025375, 5025380	Claim denied 8/6/08
PSV - Avalon	Desert Pipeline, Inc.	12/13/2007	\$ 364,865.93	#RIC495200	Bond Safeguard	5025375	In Litigation VCT defending
PSV - Avalon	Mesa Pacific sub R & D Concrete	7/8/2008	\$ 92,940.80	#INC077619	Bond Safeguard	5025375-8, 5025383, 5025394	In Litigation VCT defending
PSV - Avalon	Mesa Pacific sub White's Steel	5/6/2008	\$ 39,632.55	#INC 074507 (Indio branch)	Bond Safeguard		In Litigation VCT defending
PSV - Avalon	Nissho of California sub GroWest Nurseries	2/27/2008	\$ 30,043.29		Bond Safeguard	5025381	Claim denied 4/30/08



**Schedule 13-Designated Payment Performance Bonds**

PSV - Avalon	Nissho of California Orange County Striping Service, Inc.	4/7/2008	\$ 1,597,557.82	#INC 075909 (Indio branch)	Bond Safeguard	5025381	In Litigation, VCT defending Bond claim constitutes \$909,986.96 7/29/08 Notice provided, but no proof of claim filed
PSV - Avalon		7/29/2008	\$ 29,638.75		Bond Safeguard	5025381	In Litigation VCT defending
PSV - Avalon	Pacific Masonry Walls	6/2/2008	\$ 314,061.23	#INC 075197 (Indio branch)	Bond Safeguard	5025381	
PSV - Avalon	Schilling Corp.	4/17/2008	\$ 638,214.17	#INC 075659 (Indio branch)	Bond Safeguard	5035375, 5025376 5025378, 5025379, 5025380, 5025381	In Litigation VCT defending
PSV - Avalon	So-Cal Sweepers	4/17/2008	\$ 36,280.00	#INC 076360 (Indio branch)	Arch & Bond Safeguard	Arch: SU5008389 BS: 5025378	In Litigation VCT defending Bond Safeguard Ron Hopkins defending Arch and SunCal
PSV - Avalon	West Coast R&R Inc.	7/28/2008	\$ 336,664.00	#INC077098	Bond Safeguard	5025376	In Litigation VCT defending

**Bond Company Contact Information:**

Arch Insurance Company	Bond Safeguard Insurance Company	INSCO
135 N. Los Robles Ave., Ste. 825	256 Jackson Meadows Dr., Ste 201	17780 Fitch Street, Suite 200
Pasadena, CA 91101	Hermitage, TN 37076	Irvine, CA 92614
Ken Huff, Assistant Vice President, Surety Claims	Vicki Batson, Legal Assistant	Louis White, Senior Counsel, Claims
Susan Neff, Senior Surety Counsel	(615) 690-0325	(949) 236-3411
(626) 639-5200		

## **EXHIBIT “11”**

SCHEDULE 4-A TO SETTLEMENT AGREEMENT

Bonded Pac Point Payable Obligations

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4-A-i

**Schedule 4-A**  
Pacific Point Bonded Obligations

<u>Vendor</u>	<u>Claim Amount</u>
All American Asphalt	\$ 245,870.90
Boudreau Pipeline Corporatio	\$ 961,932.57
Bova Contracting Corporation	\$ 1,955,276.14
Rockey Murata Landscaping, I	\$ 743,971.94
Sierra Pacific Electrical Co	\$ 49,641.75
<b>Total</b>	<b>\$ 3,956,693.30</b>

## **EXHIBIT “12”**

**Schedule 4-A**  
**Pacific Point Bonded Obligations**

Vendor	Claim Amount	Closing AP/Claim		Total AP/Claim as of Closing Date
		Adjustment to Original AP	Settlement	
All American Asphalt	245,871	-	-	245,871
Boudreau Pipeline Corporatio	961,933	-	-	961,933
Bova Contracting Corporation	1,955,276	-	(1,077,192)	878,084
Rockey Murala Landscaping, I	743,972	-	(743,972)	-
Sierra Pacific Electrical Co	49,642	-	(49,642)	-
<b>Total</b>	<b>3,956,693</b>	<b>-</b>	<b>(1,870,806)</b>	<b>2,085,887</b>

## EXHIBIT “13”

SCHEDULE 4-B TO SETTLEMENT AGREEMENT

Other Pac Point Payable Obligations

M11319719603485\_131,200,073,683.0095

4-B-1



**Schedule 4-B**  
Other Pacific Point Obligations

Vendor	Open AP	Unbilled Retention	Total AP
5th Gear, LLC	85,602	-	85,602
All American Asphalt	-	-	-
AMEC Earth & Environmental In	276,076	-	276,076
Ameripride Guard Services Inc.	-	-	-
Archive Technologies	1,050	-	1,050
AT&T	1,040	-	1,040
AT&T - 4209	296	-	296
Barkley Court Reporters, LA	395	-	395
BNB Engineering Inc.	4,705	2,895	7,599
Bob McGrann Construction Inc	115,425	50,750	166,176
Boudreau Pipeline Corporation	-	-	-
Bova Contracting Corporation	-	-	-
BP Media Group dba SoftMirage	-	-	-
C & L Drilling	-	-	-
CR & R, Inc. - 125	110	-	110
California Barricade	-	-	-
Carl Warren & Co	2,023	-	2,023
Chambers Group, Inc.	14,263	-	14,263
Chino Grading, Inc.	281,170	3,727	284,897
Color Image Printing, Inc.	22,128	-	22,128
Concord Group, The	525	-	525
Consolidated Reprographics	162	-	162
Cox Communications	18,409	-	18,409
Creekside Development, Inc.	568,889	-	568,889
Crummack Huseby, Inc.	600	-	600
Culbertson, Adams & Associat	20,139	-	20,139
Cushman & Wakefield of Calif	21,900	-	21,900
Daren Saunders Photography	1,131	-	1,131
Dexter Wilson Engineering, I	12,598	-	12,598
DGW Budget Preparation	27,340	-	27,340
Diamond Environmental Servic	641	-	641
Dr. Maurice M. Lam M.D.	34,000	-	34,000
Fidelity National Title Co.	90	-	90
Firesafe Planning Solutions	8,750	-	8,750
Gary D. Campbell	57,000	-	57,000
Gas Company, The	8,129	-	8,129
GCI Associates, Inc.	600	-	600
Golden State Fence Company	3,481	7,998	11,479
GreenField Communications, Inc	1,496	38,267	39,762
Harcy & Harper, Inc.	1,047	6,873	7,920
Hertzog & Crabb, Inc.	1,154	-	1,154
Hewitt & O'Neil, LLP	9,610	-	9,610
Hillside Retaining Walls	-	-	-
HomeBuyersGuide - Irvine	24,000	-	24,000
Hunsaker & Associates - Irvi	366,721	-	366,721
Jackson, DeMarco, Tidus & Pe	311	-	311

Vendor	Open AP	Unbilled Retention	Total AP
Jag Construction	151,623	17,431	169,054
K Hovnanian/Landscape Inter Cal Ci	-	-	-
Katz, Okitsu & Associates	2,924	-	2,924
Knitter & Associates	-	-	-
KTGY Group, Inc	19,975	-	19,975
Kuno's Grading	2,509	-	2,509
Laguna Playhouse	2,550	-	2,550
Law, Robert - 1099	-	-	-
LDB & Associates, Inc	1,500	-	1,500
Lehman Ali, Inc.	162,385	-	162,385
M Delvin & Associates, Inc	9,571	-	9,571
Mesa Pacific Construction, i	33,249	55,573	88,822
Miller Barondess, LLP	78,631	-	78,631
Mobile Mini, Inc	1,417	-	1,417
Mobile Modular Management Co	1	-	1
MSE Retaining Systems, Inc	45,754	-	45,754
National Construction Rental	2,233	-	2,233
Natural Resource Consultants	-	-	-
OCB Reprographics, Inc	136	-	136
Orange Coast Masonry	687,392	-	687,392
Outdoor Dimensions	7,236	-	7,236
Overland Pacific & Cutler, Inc	-	-	-
Pacific Soils Engineering, I	27,824	-	27,824
Palmieri, Tyler, Wilhelm & Wal	5,255	-	5,255
Playa Digital Media, Inc	1,050	-	1,050
Power Plus Utility Serv	100	-	100
ProRepro	1,750	-	1,750
R&M Electrical Contracting	-	24,996	24,996
R&M Electrical Contracting	-	-	-
R J Noble	-	-	-
Rain for Rent - Bakersfield	-	-	-
Rockey Murata Landscaping, I	1,430	-	1,430
Roddan Paolucci Roddan Adv &	33,671	-	33,671
Rohm Insurance Agency	16,712	-	16,712
Ron Martin & Associates, Inc	2,511	-	2,511
Ron Martin & Associates, Inc.	-	-	-
San Diego Gas & Electric	71	-	71
San Juan Capistrano City of	344	-	344
San Juan Capistrano, City of	3,153	-	3,153
Scoop ReprintSource	3,482	-	3,482
Sierra Pacific Electrical Co	-	-	-
So Cal Construction & Demoliti	-	-	-
South County Publications, I	2,800	-	2,800
Southwest Inspection & Testing	-	-	-
Stelny and Company, Inc.	-	-	-
Summers/Murphy & Partners, I	7,350	-	7,350
SWRCB Accounting Office	237	-	-
Tensor Earth Technologies	1,296	-	1,296
Tensor Earth Technologies	-	-	-

Vendor	Open AP	Unbilled Retention	Total AP
True Underground Inc.	-	-	-
Ugalde Trucking Co, Inc.	8,520	-	8,520
Utility Consultants of Orang	15,650	-	15,650
Voss, Cook & Thel, LLP.	151,356	-	151,356
Whitler Mailing Service, In	2,288	-	2,288
Wiredhat Interactive	2,896	-	2,896
<b>Grand Total:</b>	<b>3,479,737</b>	<b>208,511</b>	<b>3,688,011</b>

## EXHIBIT “14”

**Schedule 4-B**  
**Other Pacific Point Obligations**

Vendor				Closing AP		Total AP as of Closing Date
	Open AP	Unbilled Retention	Total AP	Adjustment to Original AP	Settlement	
5th Gear, LLC	85,602	-	85,602	-	-	85,602
All American Asphalt	-	-	-	-	-	-
AMEC Earth & Environmental In	276,076	-	276,076	-	-	276,076
Ameripride Guard Services Inc.	-	-	-	-	-	-
Archive Technologies	1,050	-	1,050	-	-	1,050
AT&T	1,040	-	1,040	-	-	1,040
AT&T - 4209	296	-	296	-	(296)	-
Barkley Court Reporters, LA	395	-	395	-	-	395
BNB Engineering Inc.	4,705	2,895	7,599	-	-	7,599
Bob McGinn Construction Inc	115,426	50,750	166,176	-	(166,176)	-
Boudreau Pipeline Corporatio	-	-	-	-	-	-
Bova Contracting Corporation	-	-	-	-	-	-
BP Media Group dba SoftMirage	-	-	-	-	-	-
C & L Drilling	-	-	-	-	-	-
CR & R, Inc. - 125	110	-	110	-	-	110
California Barricade	-	-	-	-	-	-
Carl Warren & Co	2,023	-	2,023	-	-	2,023
Chambers Group, Inc.	14,263	-	14,263	-	(14,263)	-
Chino Grading, Inc.	281,170	3,727	284,897	-	-	284,897
Color Image Printing, Inc.	22,128	-	22,128	-	-	22,128
Concord Group, The	525	-	525	-	(525)	-
Consolidated Reprographics	162	-	162	-	-	162
Cox Communications	18,409	-	18,409	-	-	18,409
Creekside Development, Inc.	568,889	-	568,889	-	-	568,889
Crummack Huseby, Inc.	600	-	600	-	-	600
Culbertson, Adams & Associat	20,139	-	20,139	-	-	20,139
Cushman & Wakefield of Calif	21,900	-	21,900	-	(21,900)	-
Daren Saunders Photography	1,131	-	1,131	-	-	1,131
Dexter Wilson Engineering, I	12,598	-	12,598	-	-	12,598
DGW Budget Preparation	27,340	-	27,340	-	-	27,340
Diamond Environmental Servic	641	-	641	(318)	(112)	211
Dr. Maurice M. Lam M.D.	34,000	-	34,000	-	-	34,000
Fidelity National Title Co.	90	-	90	-	-	90
Firesafe Planning Solutions	8,750	-	8,750	-	-	8,750
Gary D. Campbell	57,000	-	57,000	-	(57,000)	-
Gas Company, The	8,129	-	8,129	-	-	8,129
GCI Associates, Inc.	600	-	600	-	-	600
Golden State Fence Company	3,481	7,998	11,479	-	(0)	11,479
GreenField Communications, Inc	1,495	38,267	39,762	-	-	39,762
Hardy & Harper, Inc.	1,047	6,873	7,920	-	(7,920)	-
Hartzog & Crabill, Inc.	1,154	-	1,154	-	-	1,154
Hewitt & O'Neil, LLP	9,610	-	9,610	-	-	9,610
Hillside Retaining Walls	-	-	-	-	-	-
HomeBuyersGuide -Irvine	24,000	-	24,000	-	-	24,000
Hunsaker & Associates - Irvi	366,721	-	366,721	-	-	366,721
Jackson, DeMarco, Tidus & Pe	311	-	311	-	-	311

Vendor				Closing AP		
	Open AP	Unbilled Retention	Total AP	Adjustment to Original AP	Settlement	Total AP as of Closing Date
Jag Construction	151,623	17,431	169,054	-	-	169,054
K Hovnanian/Landscape Inter Cal C	-	-	-	-	-	-
Katz, Okitsu & Associates	2,924	-	2,924	-	-	2,924
Knitter & Associates	-	-	-	-	-	-
KTGY Group, Inc.	19,975	-	19,975	-	-	19,975
Kuno's Grading	2,509	-	2,509	-	-	2,509
Laguna Playhouse	2,550	-	2,550	-	-	2,550
Law, Robert - 1099	-	-	-	-	-	-
LDB & Associates, Inc.	1,500	-	1,500	-	-	1,500
Lehman Ali, Inc.	152,385	-	152,385	-	-	152,385
M Delvin & Associates, Inc.	9,571	-	9,571	-	(9,571)	-
Mesa Pacific Construction, I	33,249	55,573	88,822	-	-	88,822
Miller Barondess, LLP	78,631	-	78,631	-	-	78,631
Mobile Mini, Inc.	1,417	-	1,417	-	-	1,417
Mobile Modular Management Co	1	-	1	-	-	1
MSE Retaining Systems, Inc.	45,754	-	45,754	-	-	45,754
National Construction Rental	2,233	-	2,233	-	-	2,233
Natural Resource Consultants	-	-	-	-	-	-
OCB Reprographics, Inc.	136	-	136	-	-	136
Orange Coast Masonry	687,392	-	687,392	-	-	687,392
Outdoor Dimensions	7,236	-	7,236	-	-	7,236
Overland Pacific & Cutler, Inc	-	-	-	-	-	-
Pacific Soils Engineering, I	27,824	-	27,824	-	-	27,824
Palmieri, Tyler, Wilhelm & Wal	5,255	-	5,255	-	-	5,255
Playa Digital Media, Inc.	1,050	-	1,050	-	-	1,050
Power Plus Utility Serv	100	-	100	-	(100)	-
ProRepro	1,750	-	1,750	-	-	1,750
R&M Electrical Contracting	-	24,996	24,996	-	-	24,996
R&M Electrical Contracting	-	-	-	-	-	-
R.J. Noble	-	-	-	-	-	-
Rain for Rent - Bakersfield	-	-	-	-	-	-
Rockey Murata Landscaping, I	1,430	-	1,430	-	(1,430)	-
Roddan Paolucci Roddan Adv.&	33,671	-	33,671	-	-	33,671
Rohm Insurance Agency	16,712	-	16,712	-	(16,712)	-
Ron Martin & Associates, Inc	2,511	-	2,511	-	(2,511)	-
Ron Martin & Associates, Inc.	-	-	-	-	-	-
San Diego Gas & Electric	71	-	71	-	(71)	-
San Juan Capistrano City of	344	-	344	-	(344)	-
San Juan Capistrano, City of	3,153	-	3,153	-	(96)	3,057
Scoop ReprintSource	3,482	-	3,482	-	-	3,482
Sierra Pacific Electrical Co	-	-	-	-	-	-
So-Cal Construction & Demoliti	-	-	-	-	-	-
South County Publications, I	2,800	-	2,800	-	-	2,800
Southwest Inspection & Testing	-	-	-	-	-	-
Steiny and Company, Inc.	-	-	-	-	-	-
Summers/Murphy & Partners, I	7,350	-	7,350	-	-	7,350
SWRCB Accounting Office	237	-	-	-	-	-
Tensor Earth Technologies	1,296	-	1,296	-	-	1,296
Tensor Earth Technologies	-	-	-	-	-	-
True Underground Inc.	-	-	-	-	-	-
Ugalde Trucking Co, Inc.	6,520	-	6,520	-	-	6,520
Utility Consultants of Orang	15,550	-	15,550	-	-	15,550
Voss, Cook & Thel, LLP.	151,356	-	151,356	-	-	151,356
Whittier Mailing Service, In	2,288	-	2,288	-	-	2,288
Wiredhat Interactive	2,896	-	2,896	-	-	2,896
<b>Grand Total:</b>	<b>3,479,737</b>	<b>208,511</b>	<b>3,688,011</b>	<b>(318)</b>	<b>(299,029)</b>	<b>3,388,663</b>

## EXHIBIT “15”

EXHIBIT I TO SETTLEMENT AGREEMENT

Form of Covenant Not to Sue

COVENANT NOT TO SUE

THIS COVENANT NOT TO SUE ("Covenant") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2008, by [NAME OF LENDER(S)] ("Lender") and LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation ("LBHI") and together with Lender, the "Lender Entities") in favor of [NAME(S) OF BORROWER(S)] ("Borrower"), [NAME(S) OF GUARANTOR(S)] ("Guarantor"), [NAME(S) OF PLEDGOR(S)] ("Pledgor") (Borrower, Guarantor and Pledgor are collectively referred to as the "Borrower Beneficiaries").

1. For and in consideration of the execution and delivery of that certain Settlement Agreement, by and among the Lender Parties, the Borrower Parties, and certain other parties thereto (the "Settlement Agreement"; capitalized terms used but not defined herein shall have the meanings ascribed to such terms on Exhibit A attached hereto and made a part hereof), and for other good and valuable consideration paid, the receipt and sufficiency of which are hereby acknowledged, each of the Lender Entities, for themselves and for each of their past, present and future agents, partners, members and other direct or indirect related entities (whether or not such entities are wholly-owned) and each of their respective past, present and future officers, agents, shareholders and attorneys in their capacities as such for any of the Lender Parties (as well as their respective predecessors, successors and assigns) (collectively, the "Lender Parties"), do hereby covenant and agree not to sue and not to commence, assert, bring or file in any court or other tribunal, in any jurisdiction, any suit, action, litigation, complaint, counterclaim, cross-claim, cross-complaint, third-party complaint or other pleading (collectively, a "Suit") against any of the Borrower Beneficiaries with respect to any claims, damages, actions, causes of action, demands, indebtedness, liabilities or obligations, to the extent, but only to the extent the same arise from the following: amounts owing pursuant to the Note, the Loan Agreement or the Loan or obligations or liabilities arising under the Deed of Trust, Pledge Agreement, Completion Guaranty, Limited Guaranty or the other Loan Documents (collectively, the "Claims"). Notwithstanding the foregoing or anything to the contrary contained herein, Claims shall specifically exclude and Lender Parties may fully enforce and pursue all rights and remedies for (i) any indemnification or other obligations or liabilities which, pursuant to the terms of the Loan Documents, survive the repayment of the Loan and/or the termination of the Loan Documents (including, without limitation, any environmental indemnities) (ii) any obligations or liabilities arising under the Settlement Agreement or any of the other Settlement Documents, (iii) any Claims arising under the Limited Guaranty as a result of the occurrence of a Bankruptcy Event (as such term is defined in the Limited Guaranty), and (iv) the commission of fraud or the making of any material intentional misrepresentation by any of the Borrower Beneficiaries in connection with the Loan.

2. Subject to the terms of the Settlement Agreement and without limiting the generality of the foregoing, the Lender Parties expressly covenant not to sue with respect to the Claims, including those which the Lender Parties do not know of or suspect to exist in their favor, whether through ignorance, oversight, error, negligence or otherwise, and which, if known, would materially affect their decision to enter into this Covenant and to this end the



Lender Parties, to the extent permitted by law, waive all rights under any statutory provision purporting to limit the scope or effect of a general covenant not to sue, whether due to lack of knowledge on the part of a creditor or otherwise. Without limiting the generality of the foregoing sentence, each of the Loan Parties acknowledges that it has been advised by legal counsel and is familiar with the provisions of California Civil Code Section 1542, which states the following:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Each of the Loan Parties waives and relinquishes any and all rights or benefits it may have under, or which may be conferred upon it by, the provisions of Section 1542 of the California Civil Code regarding the covenant not to sue with respect to the Claims set forth in Section 1, to fullest extent that it may lawfully waive such rights and benefits. In connection with such waiver and relinquishment, each of the Loan Parties acknowledges that it is aware that it may hereafter discover claims or facts in addition to, or different from, those which they now know or believe to exist with respect to the subject matter of this Covenant, but that each of the Loan Parties nonetheless fully and unconditionally enters into this Covenant with respect to the Claims, whether known or unknown, suspected or unsuspected.

3. Notwithstanding anything to the contrary set forth herein, it is not the intention of the parties to release the Deed of Trust or to release any security or collateral for any claims or obligations under the Loan Documents or any person or entity other than the Borrower Beneficiaries from any claims or any obligations under the Loan Documents.

4. Notwithstanding anything to the contrary set forth herein, this Covenant shall be null and void ab initio if: (a) an Interference Event shall occur or, (b) any of the events set forth in Section 33 of the Settlement Agreement shall occur (except to the extent that the terms of Section 33 of the Settlement Agreement provide that this Covenant will not be affected by such event); and there shall be no covenant not to sue with respect to any obligations or liabilities described in clauses (a) or (b) above and all parties to the Settlement Agreement or any of the other Settlement Documents may fully enforce the obligations and liabilities described in clauses (a) or (b) above just as if this Covenant had not been executed.

5. The Lender Parties further expressly warrant and represent that the Lender Parties have not sold, granted, transferred or assigned or caused to be sold, granted, transferred or assigned or purported to sell, grant, transfer or assign to any other person, entity, firm or corporation any Claims or any portion thereof or any part of any recovery thereon which the Lender Parties may have or become entitled to against the Borrower Beneficiaries in connection with, or in any way related to or arising out of the Claims. The Lender Parties hereby agree to indemnify and to hold harmless the Borrower Beneficiaries against any claim, contention, demand, cause of action, obligation, damage and liability of any nature, character or description whatsoever, including the payment of attorneys' fees (including allocated costs incurred by internal counsel) and costs actually incurred, whether or not litigation is commenced, which may

be based upon or which may arise out of or in connection with any such assignment or transfer or purported assignment or transfer.

6. The Lender Parties understand and agree that any Claims they may have against any of the Borrower Beneficiaries are in dispute and that the Lender Parties are entering into this Covenant for the purpose of settling such disputes by compromise in order to avoid litigation and to buy peace. The Lender Parties hereby agree not to bring, or assist in bringing, any Claim against the Borrower Beneficiaries regarding or in any way related to any of the matters as to which they covenant not to sue the Borrower Beneficiaries, except as otherwise provided herein, and the Lender Parties further agree that this Covenant is, will constitute, and may be pleaded as, a bar to any such claim. Neither the execution nor delivery of this Covenant by any party nor the payment of any consideration by any person incident to this Covenant is an admission of any wrongdoing whatsoever on the part of the Lender Parties or any of them. Each of the Lender Parties for itself and for anyone claiming by, through or under it, hereby agrees to defend, protect, indemnify and hold harmless any and all of the Borrower Beneficiaries from and against all loss, cost, liability, damage and expense (including reasonable attorneys' fees and expenses) incurred by the Borrower Beneficiaries or any of them in connection with, arising out of or in any way relating to any breach by the Lender Parties, or any of them, of the covenants and agreements set forth in this Covenant.

7. Notwithstanding anything contained herein to the contrary and except as may be expressly limited by this Covenant, nothing contained herein shall constitute a covenant not to sue or release by the Lender Parties of the Borrower Beneficiaries for any loss, cost, liability, damage or expense suffered or incurred by the Lender Parties as a result of the enforcement of (a) the rights of any party, including Lender, under the Settlement Agreement or any of the other Settlement Documents, (b) those representations, warranties, agreements or obligations to be fulfilled or performed after the date hereof which are set forth in the Settlement Agreement or any of the other Settlement Documents; (c) any liability or responsibility that any of the Borrower Beneficiaries may have to the Lender Parties or to any third party under the Settlement Agreement or the other Settlement Documents with respect to any law, rule, regulation, statute, decree or order in any way relating to the environmental condition of the Property; (d) any rights Lender may have to institute, maintain and prosecute an action or actions to foreclose the Deed of Trust; (e) any rights Lender may have to institute, maintain and prosecute an action or actions for any fraud or intentional misrepresentation by any party to the Settlement Agreement pursuant to the Settlement Agreement or the other Settlement Documents; or (f) any rights the Lender Parties may have to institute, maintain and prosecute an action or actions for any other claims against any of the Borrower Beneficiaries under the Settlement Agreement or any of the other Settlement Documents.

8. Notwithstanding any other provision of this Covenant, if any of the events described in Clauses (i), (ii) or (iii) of Section 33 of the Settlement Agreement shall occur, then this Covenant shall be of no force or effect. In any such event, the Lender Parties shall have any and all rights and remedies available under any or all of Section 33 of the Settlement Agreement, the Loan Documents, at law or in equity as if this Covenant had never been executed.

9. The Lender Parties hereby acknowledge and agree that nothing in this Covenant is intended to alter, affect or modify (a) the rights of any party under the Settlement

Agreement or any of the other Settlement Documents or (b) those representations, warranties, agreements or obligations to be fulfilled or performed after the date hereof which are set forth in the Settlement Agreement or in any of the other Settlement Documents.

10. The Lender Parties expressly warrant and represent that in executing and entering into this Covenant, the Lender Parties are not relying upon and have not relied upon any representation, promise or statement made by anyone which is not recited, contained or embodied in this Covenant or in the Settlement Agreement or any of the other Settlement Documents. The Lender Parties understand and expressly assume the risk that any fact not recited, contained or embodied herein or in the Settlement Agreement or any of the other Settlement Documents may turn out hereafter to be other than, different from, or contrary to the facts now known to it or believed by it to be true. Nevertheless, the Lender Parties agree that this Covenant shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts.

11. Miscellaneous Provisions:

a. This Covenant shall inure to the benefit of and be binding upon the Lender Parties and Borrower Beneficiaries.

b. This Covenant, the Settlement Agreement, the other Settlement Documents and the Loan Documents constitute and are intended to constitute the entire agreement of the parties concerning the subject matter hereof. No covenants, agreements, representations or warranties of any kind whatsoever have been made by any party except as specifically set forth herein or in the Settlement Agreement, the Loan Documents or the other Settlement Documents. All prior discussions and negotiations with respect to the subject matter hereof are superseded by the Loan Documents, this Covenant, the Settlement Agreement and the other Settlement Documents.

c. If any provisions of this Covenant are determined by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, the remaining provisions, and any partially invalid or unenforceable provisions, to the extent valid and enforceable, shall nevertheless be binding and valid and enforceable.

d. The parties shall, from time to time, promptly execute and deliver such further instruments, documents and papers and perform such further acts as may be necessary or proper to carry out and effect the terms of this Covenant.

e. When necessary herein, all terms used in the singular shall apply to the plural, and vice versa, and all terms used in the masculine shall apply to the neuter and feminine genders, and vice versa.

f. This Covenant shall be construed according to and governed by the laws of the State of New York without regard to the principles of conflicts of law.

MI1:\197196\4718\485\_4718!.DOC\73683.0995

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

**LENDER(S):**

**[NAME OF LENDER(S)]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC., a  
Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[ACKNOWLEDGMENTS ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

**LENDER:**

LV PACIFIC POINT LLC,  
a Delaware corporation

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_


PAC POINT JUNIOR MORTGAGE LOAN COVENANT NOT TO SUE SIGNATURE PAGE

D0000452

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

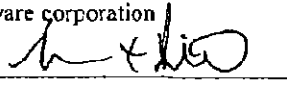
**LENDER:**

LV PACIFIC POINT LLC,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

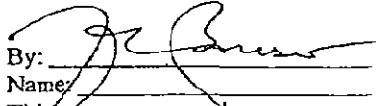
PAC POINT JUNIOR MORTGAGE LOAN COVENANT NOT TO SUE SIGNATURE PAGE

D0000453

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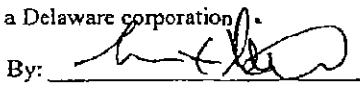
**LENDER:**

LV PACIFIC POINT LLC,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PAC POINT JUNIOR MORTGAGE LOAN COVENANT NOT TO SUE SIGNATURE PAGE


D0000454



IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

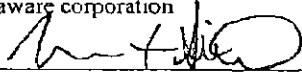
**LENDER:**

LV PACIFIC POINT LLC,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


PAC POINT JUNIOR MORTGAGE LOAN COVENANT NOI TO SUE SIGNATURE PAGE

D0000455

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

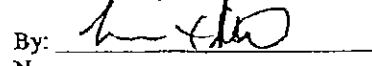
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PAC POINT SENIOR MORTGAGE COVENANT NOT TO SUE SIGNATURE PAGE

D0000456

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

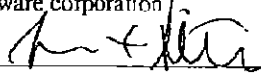
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

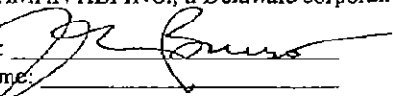
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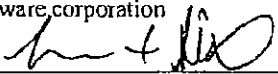
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

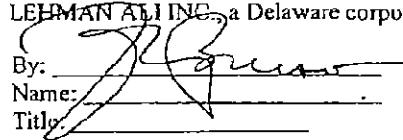
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D0000458

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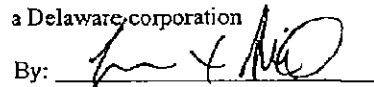
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


PAC POINT SENIOR MORTGAGE COVENANT NOT TO SUE SIGNATURE PAGE

00000459

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

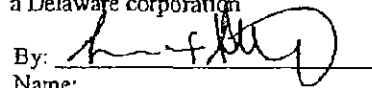
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

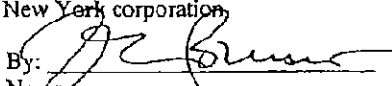
SUNCAL COMMUNITIES LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000460

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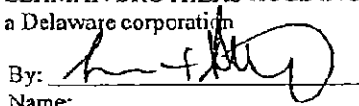
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

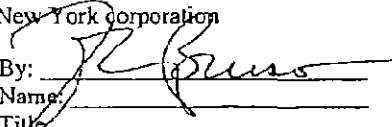
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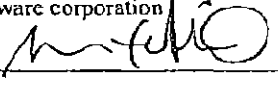
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**L.BHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SUNCAL COMMUNITIES LENDER COVENANT NOT TO SUE SIGNATURE PAGE

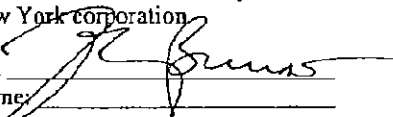
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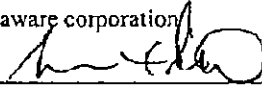
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

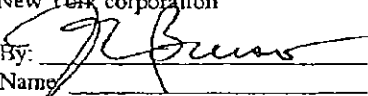
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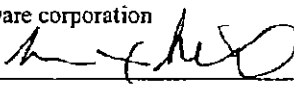
**LENDER:**

LEHMAN COMMERCIAL PAPER INC, a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

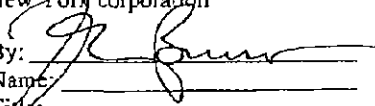
SUNCAL COMMUNITIES LENDER COVENANT NOI TO SUE SIGNATURE PAGE

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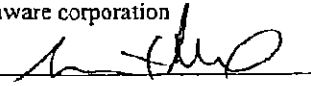
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

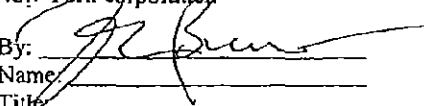
RITTER RANCH MORTGAGE LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000465

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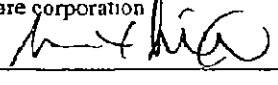
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

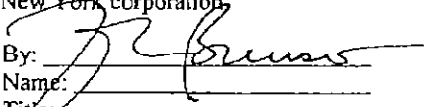
RITTER RANCH I MORTGAGE LENDER COVENANT NOT TO SUE SIGNATURE PAGE

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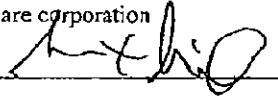
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

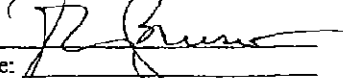
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D0000467

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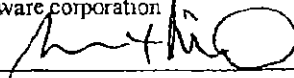
**LENDER:**

LEHMAN COMMERCIAL PAPER INC., a  
New York corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

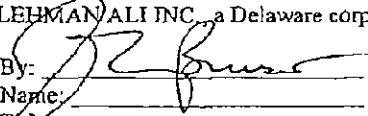
BITTER RANCH MORTGAGE LENDER COVENANT NO 1 TO SUE SIGNATURE PAGE

D0000468

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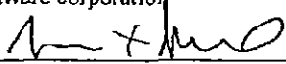
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

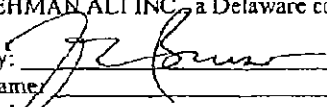
PVS LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000469

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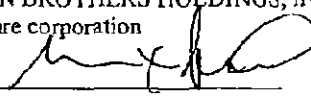
**LENDER:**

LEHMAN ALI INC, a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PVS LENDER COVENANT NOT TO SUE SIGNATURE PAGE

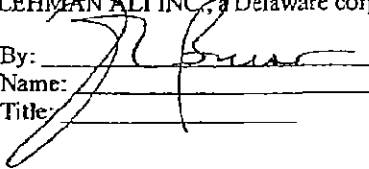
D0000470



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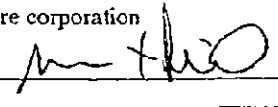
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

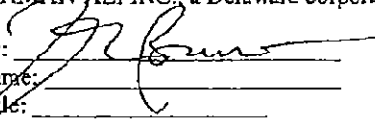
PVS LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000471

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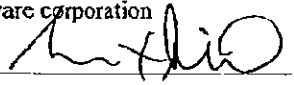
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PVS LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000472

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC., a  
Delaware corporation

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MARBLEHEAD/HEARTLAND LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000473

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

**LENDER:**

LEHMAN ALP INC., a Delaware corporation

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC., a  
Delaware corporation

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MARBLEHEAD/HEARTLAND LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000474

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

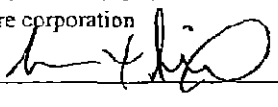
**LENDER:**

LEHMAN-ALJ INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

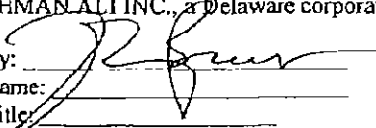
MARBLEHEAD/HEAR ISLAND LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000475

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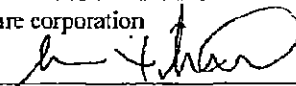
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

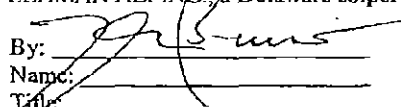
MARBLEHEAD/HEARTLAND LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000476

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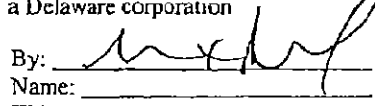
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

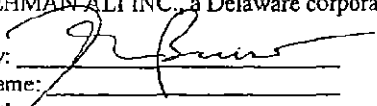
BICKFORD RANCH SECOND LIEN AND MEZZ LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000477

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

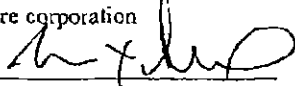
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BICKFORD RANCH SECOND LIEN AND MEZZ LENDER COVENANT NOT TO SUE SIGNATURE PAGE

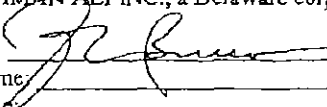
D0000478



IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

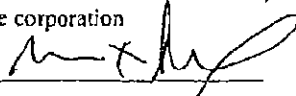
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

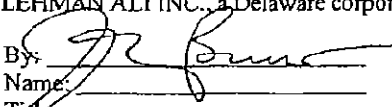
BICKFORD RANCH SECOND LIEN AND MEZZ LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000479

IN WITNESS WHEREOF, the undersigned have delivered this Covenant as of the date first set forth above.

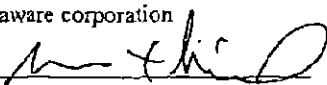
**LENDER:**

LEHMAN ALI INC., a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LBHI:**

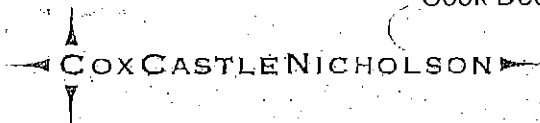
LEHMAN BROTHERS HOLDINGS, INC.,  
a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BICKFORD RANCH SECOND LIEN AND MEZZ LENDER COVENANT NOT TO SUE SIGNATURE PAGE

D0000480

## EXHIBIT “16”



Cox, Castle & Nicholson LLP  
2049 Century Park East, 28<sup>th</sup> Floor  
Los Angeles, California 90067-3284  
P 310.277.4222 F 310.277.7889

Mathew A. Wyman  
310.284.2266  
mwyman@coxcastle.com

September 29, 2008

File No. 57867

VIA E-MAIL AND FACSIMILE

W. Michael Bond, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0119

Re: SunCal/Lehman Omnibus Transaction / Closing Notification

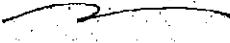
Dear Michael:

Reference is made to that certain Agreement dated as of May 23, 2008, by and among Lehman Brothers Holdings Inc., Lehman ALI, Inc., and other affiliated entities (collectively, "Lehman"), and SCC Acquisitions, Inc., SunCal Management, LLC, Bruce Elieff and other affiliated entities and individuals (collectively, "SunCal"), as amended by that certain letter agreement executed by all such parties on August 27, 2008 (collectively, the "Restructuring Agreement"). All initially capitalized terms set forth in this letter shall have the meaning given to them in the Restructuring Agreement.

As SunCal has previously advised you, the closing conditions set forth in Section 1 of the Restructuring Agreement for the requisite number of properties have been satisfied in all material respects and Lehman is therefore obligated to close the transaction on September 30, 2008. SunCal's attempts to reach Lehman to work out final matters on the necessary transfers and applicable consents have been unsuccessful. We reiterate that SunCal is prepared to close and it therefore reserves all rights and remedies it may have under the Restructuring Agreement and omnibus transaction with respect to any non-performance by Lehman.

If you wish to discuss this matter in greater detail, please do not hesitate to contact me.

Sincerely,

  
Mathew A. Wyman

MAW/prv  
57867\1365306v2

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Cook Decl. Part 5 Page 19 of 19

W. Michael Bond, Esq.  
September 29, 2008  
Page 2

cc: Mr. Frances Gilhool (via e-mail)  
Bruce V. Cook, Esq. (via e-mail)  
Erica A. Bose, Esq. (via e-mail)

## EXHIBIT “17”



## SunCal Companies

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 9, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Oak Knoll Project

Dear Rob:

I am writing to advise you of some practical and significant site security and wildfire prevention issues that will arise as SunCal Management, LLC and other contractors involved in the Oak Knoll project in Oakland, CA suspend work for non-payment of bills. To avoid potential liabilities and damage to the asset, someone must immediately assume responsibility for these matters.

As you know, Oak Knoll is the location of the former Navy Medical Center Oakland, which has over 100 structures totaling over 900,000 square feet on 160 acres. It is in an area of the Oakland Hills that has high risks of wildfires. SunCal Oak Knoll LLC assumed responsibility for site security and vegetation management after purchasing the site from the Navy.

As we have previously advised you, there are active groups of copper thieves, homeless people and vandals who have been going onto the site for years; many of whom are drug addicts. Our approach has been to mend holes in the fences, get police onto the site (which has been used for police training), and to first seal as many buildings as possible and then to start demolishing them.

The fence around the site is cut open 5 to 10 times per week. While the police have arrested a few people, they have not been prosecuted and often return to the site in hours.

Mr. F. Robert Brusco  
October 9, 2008

Page 2

We have been preparing buildings for demolition over the last ten months. Contractors have been removing asbestos, subject to oversight by regulators and by other contractors who monitor completion and air quality during the abatement process.

As buildings are abated, they are so torn apart that they can no longer be sealed, so they can be easily occupied by homeless people seeking shelter for the night. And the rainy season is coming shortly. We have noticed remains of fires being lit in some buildings using debris; this problem will certainly increase.

We obtained a permit to tear down 65 buildings last week, but our demolition contractor and asbestos review consultant have suspended work for non-payment of outstanding bills, which total over \$2 million for the demolition contractor and \$33,000 for the asbestos reviewers. Some asbestos abatement work is partially completed, with friable asbestos in a position where vandals and looters could create hazards with it.

Friable asbestos in a partially demolished condition is a significant issue as there are legal requirements of the oversight agencies regarding containing the asbestos and what needs to be done to get it into a minimal position to shut the project down. There can be large fines from the EPA and other air quality districts if this is not handled correctly and timely.

For wildfire prevention, we have used goats to keep the brush down and have cut many eucalyptus trees. There are some logs and some large stacks of wood chips on site right now.

The security agencies are currently owed about \$30,000. The tree removal contractor is owed over \$60,000. These contractors are small companies who are struggling to get financing to meet payroll in the current environment. They may not be around to fulfill their contracts if they are not paid soon.

Our own presence on the site will diminish. We have a leased construction trailer there now that will eventually be removed after the electricity, phone and power are shut off. When power is cut off, the copper thieves will steal the power lines.



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Mr. F. Robert Brusco  
October 9, 2008

Page 3

There are two companies operating on the site inside our security - we will talk to them about whether they wish to assume the security costs, but do not anticipate they will do so.

It appears there is much legal wrangling going on in the bankruptcy court as to the availability and use of funds. Meanwhile this and other assets diminish and entitlement windows are lost. Unfortunately, as you know, this is not limited to just the Oak Knoll project. We hope that action can be taken swiftly to address this and other deteriorating situations involving Lehman assets.

Very truly yours,

SunCal Management LLC



Bruce V. Cook  
General Counsel

cc: Frank Gilhool



## SunCal Companies

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 10, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Delta Coves

Dear Rob:

I'm sorry to bother you again, but I must bring to your attention an issue which is occurring with respect to the Delta Coves project. The project received a site visit yesterday from Symon Weiner with the Air Quality District out of San Francisco due to citizen complaints. We expect that he will be following up with a communication to our project people today. He stated at the site yesterday that the conditions he witnessed on site are unacceptable and will be giving us 24 hours' notice to have a plan in place to resume the dust control measures. If we do not continue to supply the site with dust control measures, fines will be assessed on a daily basis for public nuisance which could add up to a substantial dollar amount. We were able to convince him not to issue a fine yesterday, but he did say that fines would commence to be assessed if the issue is not dealt with immediately.

As I was working on this letter, I was informed about two additional issues at the Delta Cove project:

- Well monitoring - Continued data will need to be taken from Berloger and URS needs to review the data and send out its report as to the findings. This has not been completed and needs to be done on a monthly basis in order to adjust the stop log elevations in the weirs. This system adjusts the groundwater level of the site and keeps the neighboring foundations from sinking or heaving.
- Storm drain pumps - The pumps need to have a maintenance program and weekly monitoring during the winter months. If the pumps fail, the

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Mr. F. Robert Brusco  
October 10, 2008

Page 2

surrounding residential areas will flood. We currently do not have anyone contracted for maintaining nor do we have the ability to call for assistance in the event of a pump failure.

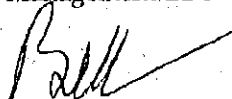
These two matters are serious issues. The wall monitoring and storm drain pumps are key components in protecting Bethel Island from serious flooding or catastrophic settlement. If the ground gets too wet, it floods, if it gets too dry, the peat and the soil shrink and the houses sink into the ground. The BIMID (Bethel Island Municipal Improvement District) stated that they will be contacting Contra Costa County to assist in getting a resolution to this matter since it is a public safety issue.

I am also enclosing an e-mail and a letter that I just received also relating to Delta Coves. We also received a call from Irene Campbell, a Stone Road resident who has asthma and is on 24-hour oxygen, who is very upset about the wind and claims her asthma is being severely affected by the dust situation at the project. As indicated by the attached letter, All Street has not only pulled its dust control services from the project but will be pulling the well pumps and other equipment that is needed to provide the project with its only source of water at this time. If we do not respond to this letter, we will have no ability to obtain water for the project when needed and it is inevitable that we will be receiving fines from the Air Resources Board. There currently is a high wind advisory for the area over the next three days and this project has already received media attention for the issues of blowing sand. I am advised that more complaints will be received.

Request is again made that you find a way to deal with these immediate and urgent needs to avoid significant loss to Delta Coves, as well as the other projects.

Very truly yours,

SunCal Management LLC

  
Bruce V. Cook  
General Counsel

cc: Frank Gilhool

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Page 1 of 1

**Bruce Cook**

**From:** Kevin Fielding  
**Sent:** Thursday, October 09, 2008 10:43 AM  
**To:** Ed Horn  
**Subject:** Delta Coves DUST COMPLAINT

Ed,

I just received a phone call from a neighboring homeowner (Sean McCord) of the Delta Coves project. He informed me of his concerns regarding fugitive dust that is **now occurring** on site, the lack of water trucks, and is demanding to know what SunCal intends to do. You may recall it is Mr. McCord that contacted Contra Costa County multiple times and most recently during the heavy winds the site sustained back in April. I have no doubt that he will do it again if we don't act now.

As you are well aware, our contracted vendor for dust control, All Street Sweeping, has pulled off the job due to non payment. There is currently a 15 MPH wind that is creating a serious fugitive dust condition. The local NOAA forecast for Bethel Island shows sustainable wind between 22-25 MPH and gusts of 39MPH for the next 3 days.

Please advise as Mr. McCord is awaiting a call back from me.....

Kevin Fielding  
SunCal Companies  
916 218-1218 Office  
916 218-1268 Fax  
916-276-1451 Mobile

10/10/2008

**All  
Street  
Sweeping  
Inc.**

Oct. 9<sup>th</sup>, 2008

Mr. Ed Horn  
Delta Coves Venture, LLC  
1430 Blue Oaks Blvd. Ste 200  
Roseville, Ca. 95747

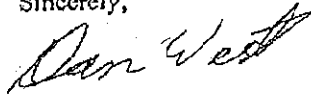
RE: Contract #77860S

Dear Ed,

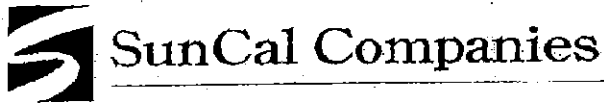
It has been over a week since we sent you a letter regarding the non payment of our August invoice in the amount of \$63,003.50. We have since pulled off the Delta Coves Joint Venture project due to your inability to pay under your contract terms. We have submitted another invoice in the amount of \$63,656.00 and are still incurring costs for the well pumps that are currently in place as well as the generator and hose rentals. I have left these items in place in hopes we could come to a payment agreement, but I am left with no choice but to pull the well pumps and other items from the site tomorrow unless we receive payment in full for our previous work.

Your immediate response to this issue is greatly appreciated.

Sincerely,



Dan West  
All Street Sweeping Inc.  
President



CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614  
MAIN 949 777 4000  
FAX 949 777 4050  
WWW.SUNCAL.COM

October 16, 2008

VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Acton, Ritter Ranch and Tesoro Burnham

Dear Rob:

With respect to the above projects, the following matters may have significant financial and liability repercussions if not promptly address:

- Acton:

The Acton site has been graded. Although vegetation has re-grown to cover the graded areas, it is critical to maintain the site's compliance with Regional Air Quality Management District (AQMD) for dust control regulations and Regional Water Quality Control Board (RWQCB) erosion control regulations. Therefore it is critical that the sub-contractors for those items be kept current and that the request for payment for the minimal amounts be paid. Continued failure to keep AP current in these areas will result in possible daily fines against the property of up to \$10,000.

- Ritter Ranch:

Completion of Elizabeth Lake Road is critical to public safety. Ritter Ranch currently has a fully funded escrow account that is intended to fund the completion of Elizabeth Lake Road. Unfortunately, the recent events at Lehman have halted the progression of the required approvals for the funds to be released from escrow in order to pay the contractors for work performed to date. Contractors are walking off the job because they have lost faith in getting paid from the escrow.

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Mr. F. Robert Brusco  
October 16, 2008

Page 2

In addition to Elizabeth Lake Road, the project has critical requirements for basic maintenance of previously disturbed areas. Those needs must be continuously funded in order to maintain compliance with the City of Palmdale, AQMD (dust control) and RWQCB (erosion control) requirements. Failure to maintain these elements will result in daily fines up to \$10,000. There have been numerous thefts on site of valuable pipe and related items such as fire hydrants, etc. A guard service is needed during evening hours and funding is required to continue those efforts as well.

In regards to the water facilities, it is critical that we maintain the offsite locations that have been disturbed in connection with the offsite pump stations. The LA County Water District has notified us and expressed their concerns regarding the state of the uncompleted work areas. The sites must be maintained for security and public safety. The project cannot afford to have the water agreement in jeopardy due to non compliance with the district facilities and their requirements to maintain them during this shut down period.

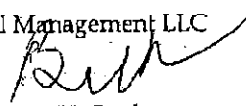
• Tesoro Burnam:

Approximately \$50,000 is needed to finalize Vesting Tentative Tract Map with the Board of Supervisors, with respect to the entitlement of the project.

We hope that action can be taken swiftly to address these and other deteriorating situations involving these LA/Central California projects.

Very truly yours,

SunCal Management LLC

  
Bruce V. Cook  
General Counsel

cc: Frank Gilhool



## SunCal Companies

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 16, 2008

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Northlake Project

Dear Rob:

I am writing to advise you of some significant pending matters that hold the potential of severely deteriorating the asset value of the Northlake property.

As you are aware, Northlake is a 1330 acre property located in Castaic, CA (northern Los Angeles County) with a development agreement that expires on April 27, 2013. In the short-term, there are four main areas that must be addressed: homeowner association issues, property taxes and insurance, environmental compliance issues and entitlement issues. The failure to address these matters, discussed in greater detail below, could significantly and adversely impact the value of this project.

- **Homeowner Association Issues.** The property owned as part of the Northlake project and used as a homeowner association facility requires maintenance, upkeep and repairs. Additionally, water and electric utility bills must be paid monthly. Finally, we have legal bills that require payment because we engaged legal counsel to assist us in avoiding litigation with the homeowners association.
- **Property Taxes and Insurance.** Insurance premiums must be paid monthly and property taxes, totaling \$1,182,562, are due no later than December 10, 2008.
- **Environmental Compliance.** Regulatory permits obtained from the US Army Corps of Engineers, California Department of Fish and Game, California Regional Water Quality Control Board and the US Fish and Wildlife Service require ongoing observation, monitoring and compliance with the permit conditions. Payments for consulting services are required and vital to meeting the minimum governmental required standards of compliance.



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Mr. F. Robert Brusco  
October 16, 2008


Page 2

- Entitlement Issues. As stated above, the project has a development agreement that expires in April 2013. The property requires significant additional discretionary land use entitlements from multiple governmental agencies as well as environmental approvals that will take a lengthy period of time to obtain. The entitlements needed include an Environmental Impact Report, a Conditional Use Permit, a Vesting Tentative Tract Map, a Specific Plan Update, approval of a traffic study, a Water Supply Assessment and School Agreements. Not moving forward now on these entitlement issues places the future viability of this project at significant risk.

Please let me know how you would like to proceed with these urgent matters regarding Northlake.

Very truly yours,

SunCal Management LLC

  
Bruce V. Cook  
General Counsel



Mr. F. Robert Brusco  
October 16, 2008

Page 2

land-owner's property as well. The work on this line was started and nearly completed but halted prior to completion, due to payment issues. We have negotiated with a replacement contractor to complete the work but have not received approval to resume work. The property owners have demanded that the work on their property be completed and all construction materials removed by the November 14 expiration date or they will terminate the right to enter their property.

As part of this project's Conditions of Approval and permitting requirements, we are required to perform certain mitigation management, monitoring, and reporting. Per our Operations and Maintenance Agreement with the California Department of Toxic Substance Control we are required to provide annual reporting on the containment of a small portion of the property known as DCN-31. A small amount of naturally-occurring arsenic was found at this site from tailings left from an old mine-site. This reporting is required by January 15<sup>th</sup> of each year. We also have significant monitoring and reporting requirements tied to our 404 permit issued by the Army Corp of Engineers. This monitoring and reporting process must be performed by suitable consultants, and has been historically performed by ECORP Consulting at Bickford Ranch. We will need authorization to approve their proposal to proceed. This reporting is due at the end of each calendar year; failure to provide this reporting can result in fines and the rescinding of our permit.

Relating to mitigation, we have two special status species that require mitigation and management at Bickford Ranch. The first is our Oak Tree mitigation requirements. We have planted close to 20,000 oak trees at Bickford Ranch to mitigate for the trees we cleared in preparation for grading activities. This was done at considerable expense with new trees grown from acorns found on-site, a condition of the project. Without proper maintenance and monitoring of the irrigation for these trees many, if not most, will die, requiring costly removal and replanting that would run into the hundreds-of-thousands of dollars. We also have established a protected area for the mitigation of our impact on Elderberry Shrubs. This area is an approximately 1.0 acre parcel where we have moved impacted Elderberry Shrubs, and planted additional plants, to mitigate our impact on the Valley Elderberry Longhorn Beetle, a protected species. Due to payment issues the maintenance contractor has not performed and many of these shrubs have died and must be replaced in order to avoid being in violation of our permits and conditions of approval, and subject to fines and/or revocation of our permits and approvals.

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Mr. F. Robert Brusco  
October 16, 2008

Page 3

Finally, we currently have no site security in place at Bickford Ranch. This has resulted in dumping of a significant amount of trash on the property and destruction of the gate at one of the entrances. Security is an issue as we have a large amount of open canal belonging to the Placer County Water Agency. Per our agreements with PCWA we are to keep our gates locked while work is not performed on the site to keep the canal secure. As part of our project approvals we will be encasing the canal in the future, but until such time we need to replace the gate to keep the site, and canal, secure.

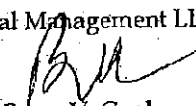
Summary of Critical Project Expenditures thru January 2009, not including management fees:

VELB Habitat Maintenance	\$ 21,100.00
Oak Tree Mitigation Maintenance	\$ 2,500.00
DTSC O&M Monitoring	\$ 1,500.00
Off-Site Waterline Completion	\$ 900,000.00
2008 Year-End Reporting - ACOE	\$ 23,000.00
Erosion Control BMP installation & maintenance	\$ 70,000.00
Gate Repair/Replacement	\$ 5,000.00
Total	\$1,023,100.00

Please advise me as soon as possible regarding these important issues.

Very truly yours,

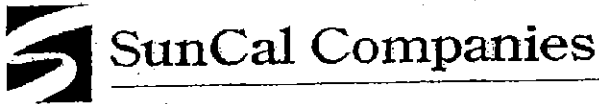
SunCal Management LLC

  
Bruce V. Cook  
General Counsel

Encls.

DOI: 10.1002/for

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Cook Decl. Part 6 Page 17 of 32



CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 16, 2008

VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Delta Coves

Dear Rob:

I want to follow up on my October 10, 2008 letter to you regarding the serious issues occurring at the Delta Coves project, which if not dealt with immediately will result in serious issues with County, State, and Federal agencies.

The project currently is in default of statutory Fugitive Dust Control Measures resulting from payment issues with the current water truck contractor. Water trucks are used to moisten the soils and sands to reduce airborne contaminants leaving the site due to the very windy conditions encountered at the project. The contractor notified SunCal of their intent to pull off the job in writing on 10/9/08 and will not return to work until payment for previous services is made. The project has received site visits from the Regional Air Quality Management representatives as a result of 10 complaints from neighboring homeowners of fugitive dust leaving the site and adversely impacting their properties. To date the inspections have resulted in two fines issued to the site; with the likelihood of more fines going forward until the site is brought into compliance with applicable statutes.

As a result of the heavy winds and fugitive dust the project has also received a NOC (Notice of Correction) from Contra Costa County on 10/10/08. This NOC must be corrected by this Friday, 10/17/08, or substantial fines will accrue. The County Inspector informed SunCal field representatives today that his office has already contacted the Contra Costa County District Attorneys office to request legal action for the statutory violations.

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Cook Decl. Part 6 Page 18 of 32

Mr. P. Robert Brusco  
October 16, 2008

Page 2


In addition, the site is in violation of its Storm Water Pollution Prevention Plan regarding erosion control measures required by Contra Costa County. Under the Delta Coves Grading permit it is required to hydroseed the entire site after grading to control site erosion. This has also not been completed. Due to a higher than normal salinity content within the water from the project's wells, which will be used for watering, a special seed mix is required. This special seed mix requires a deposit before the contractor will order it. This request for deposit has been submitted to Lehman Brothers representatives in periodic priority payment lists since March of 2008. The County has also requested a revision to update our current SWPPP. This revision will require additional cost for engineering and implementation. SWPPP non compliance can result in civil and criminal penalties.

The project also contains a sophisticated system of water wells and weirs that are connected to the storm drain pump station system. Due to non payment to the associated consultants, there has not been well and weir monitoring or maintenance performed on the four storm drain pump stations as required by the County and the Bethel Island Municipal Improvement District (BIMID). This integrated system is critical in controlling the surrounding ground water table to prevent flooding as well as catastrophic differential settlement caused by the peat within the soils becoming dry and compressing. As I previously advised you, if the ground gets too wet, it floods, if it gets too dry, the peat soil shrinks and the houses sink into the ground. The BIMID has demanded full monitoring and maintenance be initiated at once and has contacted Contra Costa County to assist in getting resolution to this public safety matter.

An additional matter of concern relates to issues with adjacent home owners. These issues have been documented and discussed in detail with Steve Gorey of Lehman Brothers and involve numerous claims for repairs of damages allegedly caused by Top Grade Construction during the course of the construction of the project.

Very truly yours,

SunCal Management LLC

  
Bruce V. Cook  
General Counsel





10-15-08

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
359 ELLIS STREET SAN FRANCISCO, CA 94109  
(415) 749-4795



### NOTICE OF VIOLATION No. A 49456

ISSUED TO: SUNCA Delta Cove DELTA COVE  
ADDRESS: 1430 BLUE OAKS BLVD STE 200  
CITY: KROSVILLE STATE: CA ZIP: 95747  
PHONE: (916) 218-2000 OR (916) 218-2808 call  
☒ Not Mailing Address on PG1

OCCURRENCE: Delta Cove Project  
NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY: Bethel Island ZIP: \_\_\_\_\_  
SOURCE: S1 NAME: \_\_\_\_\_  
EMISSION PT: 1 NAME: \_\_\_\_\_  
DATE: 10/19/08 TIME: 1100 HRS

☐ REG 2 RULE 1 SEC 301 No Authority to Construct  
☐ REG 2 RULE 1 SEC 301 No Permit to Operate  
☒ REG 1 SEC 301 H & S CODE - 41700 Public Nuisance  
☐ REG 5 SEC 301 Prohibited Open Burning  
☐ REG 6 SEC 301 Excessive Viable Emissions  
REG RULE SECTION CODE  
☐ REG RULE SECTION CODE  
Details: Excessive Dist. Confirmed complaint

RECIPIENT NAME: Mr. Ed Horn  
TITLE: Project Manager  
SIGNING THIS NOTICE IS NOT AN ADMISSION OF GUILT

WITHIN 10 DAYS, RETURN A COPY OF THIS NOTICE WITH A WRITTEN DESCRIPTION OF THE IMMEDIATE CORRECTIVE ACTION YOU HAVE TAKEN TO PREVENT CONTINUED OR RECURRENT VIOLATION. THIS VIOLATION IS SUBJECT TO SUBSTANTIAL PENALTY. YOUR RESPONSE DOES NOT PRECLUDE FURTHER LEGAL ACTION.

ISSUED BY: JOHN WINER INSP: 571  
DATE: 10/19/08 TIME: 12:53 HRS: PM MAILED  
PLEASE PRESS HARD

Continued On Reverse

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
359 ELLIS STREET SAN FRANCISCO, CA 94109  
(415) 749-4795



### NOTICE OF VIOLATION No. A 49457

ISSUED TO: SUNCA Delta Cove DELTA COVE  
ADDRESS: 1430 BLUE OAKS BLVD STE 200  
CITY: KROSVILLE STATE: CA ZIP: 95747  
PHONE: (916) 218-2000 OR (916) 218-2808 call  
☒ Not Mailing Address on PG1

OCCURRENCE: Delta Cove Project  
NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ ZIP: \_\_\_\_\_  
SOURCE: S1 NAME: \_\_\_\_\_  
EMISSION PT: 1 NAME: \_\_\_\_\_  
DATE: 10/19/08 TIME: \_\_\_\_\_ HRS

☐ REG 2 RULE 1 SEC 301 No Authority to Construct  
☐ REG 2 RULE 1 SEC 301 No Permit to Operate  
☒ REG 1 SEC 301 H & S CODE - 41700 Public Nuisance  
☐ REG 5 SEC 301 Prohibited Open Burning  
☐ REG 6 SEC 301 Excessive Viable Emissions  
REG RULE SECTION CODE  
☐ REG RULE SECTION CODE  
Details: Excessive Dist. - Public Nuisance

RECIPIENT NAME: Mr. Ed Horn  
TITLE: Project Manager  
SIGNING THIS NOTICE IS NOT AN ADMISSION OF GUILT

WITHIN 10 DAYS, RETURN A COPY OF THIS NOTICE WITH A WRITTEN DESCRIPTION OF THE IMMEDIATE CORRECTIVE ACTION YOU HAVE TAKEN TO PREVENT CONTINUED OR RECURRENT VIOLATION. THIS VIOLATION IS SUBJECT TO SUBSTANTIAL PENALTY. YOUR RESPONSE DOES NOT PRECLUDE FURTHER LEGAL ACTION.

ISSUED BY: CHARLOTTE BRIGGS INSP: 552  
DATE: 10/19/08 TIME: \_\_\_\_\_ HRS: \_\_\_\_\_ MAILED  
PLEASE PRESS HARD

Continued On Reverse

Case 8:08-bk-17206-ES Doc 489-5 Filed 07/21/09 Entered 07/21/09 17:26:32 Desc  
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10-17-08



CONTRA COSTA COUNTY  
STORMWATER POLLUTION PREVENTION PLAN  
NOTICE OF CORRECTION

TO: Suncal Signed by Contract/Owner Phone conversation  
Representative (if available): with Ed Horn

FROM: CCC P/W Signed by Paul A. Scott  
Inspector:

DATE: 10-7-08 PROJECT &or Delta Coves  
WDID # (if applicable): 5507C 326549

Based upon a site inspection on, 10-7-08, the following corrective items should be completed by the following established schedule in an effort to maintain compliance with the project's Stormwater Pollution Prevention Plan and/or the General Permit for Construction Activities. If the following corrective measures are not completed by the specified dates or before a significant rain event, you will be issued a Notice to Comply.

Corrective Measure	Schedule for Completion (Date)
- Remove accumulated sand at all storm water drainage inlets throughout project, onsite and perimeter. Numerous inlets observed to be blocked by shifting/blowing sand	10-17-08
- No water trucks observed onsite performing dust/sand control watering. Provide schedule for resumption of water truck operation	10-17-08

Revised 2/6/05 - W. Lai

10-15-08

PAGE ONE OF TWO

CONTRA COSTA COUNTY - Building Inspection Department  
651 Pine Street, 3rd Floor, North Wing • Martinez, CA 94553 (925) 646-2300

PERMIT NO.: GS 348984 OWNER/CONT: SUNICAL COMPANIES

DATE: 10/14/2008 INSPECTOR: JOSEPH ROMO

DELTA COVES VENTURE LLC 925-335-1124  
SUBDIVISION 6013 BETHEL ISLAND, CALIFORNIA  
Permit No. To Accompany All Correspondence

NOTES: NOTICE TO COMPLY  
STORMWATER POLLUTION PREVENTION REGULATIONS  
WATER QUALITY ORDER 99-08-DWQ  
STATE WATER RESOURCES CONTROL BOARD

THIS SITE IS IN VIOLATION OF WATER QUALITY ORDER  
99-08 DWQ :

- #1.) LACK OF DRAINAGE PATTERNS (SWPPP MAP), PER  
SECTION A: STORMWATER POLLUTION PREVENTION PLAN  
PAGE 12 ITEMS (1) & (2) "DRAINAGE"
- #2.) FAILURE TO HAVE PROPER DOCUMENTATION IN THE  
SWPPP PACKAGE (SWPPP LACKING CURRENT SITE INSPEC  
TION LOGS, CHANGE OF INFORMATION (CII) DOCUMENT &  
THE ANNUAL CERTIFICATION DOCUMENT), PER  
SECTION A: STORMWATER POLLUTION PREVENTION PLAN  
PAGE 21 ITEM 5 NONCOMPLIANCE REPORTING  
30 DAY NOTIFICATION TO THE APPROPRIATE  
REGIONAL WATER QUALITY CONTROL BOARD.
- #3.) THIS SITE IS IN VIOLATION OF THE CONDITIONS  
OF THE SWPPP, REQUIRING PROTECTION OF ALL BARE  
SOILS, PER SECTION A: STORMWATER POLLUTION PREVENTION  
PLAN PAGE 23 ITEM 1. DUTY TO COMPLY.
- #4.) PER QIR MEETING, IT WAS DISCUSSED THAT  
SUNICAL COMPANIES IS FACING FINANCIAL HARDSHIP  
THE DISCHARGER WILL GIVE ADVANCE NOTICE TO  
THE REGIONAL WATER QUALITY CONTROL BOARD OF NOT  
POSSIBLY HAVING THE FUNDS TO INSTALL MEASURES TO  
PROTECT ALL BARE SOILS, AND TO PROVIDE MAINTENANCE  
OF ALL SECONDARY SEDIMENT BUMP MEASURES, PER  
SECTION A: STORMWATER POLLUTION PREVENTION PLAN  
PAGE 26 — NOTICE — ITEM 11, ANTICIPATED  
NON-COMPLIANCE.

This Note To Be On Jobsite At Next Inspection

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PAGE TWO OF TWO

CONTRA COSTA COUNTY - Building Inspection Department  
651 Pine Street, 3rd Floor, North Wing • Martinez, CA 94553 (925) 646-2300

PERMIT NO.: GS348984

OWNER/CONT.: SUN CAL COMPANIES

DATE: 10/14/2008

INSPECTOR: JOSEPH ROMO

Permit No. To Accompany All Correspondence

NOTES: #5.) FAILURE TO COMPLY BY OCTOBER 17<sup>TH</sup> 2008 (TO HAVE ALL BMPs MATERIALS ON SITE, AND A SCHEDULE OF THE INSTALLATION OF ALL THE BMPs MEASURES) CAN RESULT IN THE CONTACTING OF THE SURETY BOND COMPANY TO REQUEST THE FUNDS TO PROPERLY PROTECT THIS SITE PER PRIOR APPROVAL BY COUNTY COUNSEL.

THIS SITE IS IN VIOLATION OF THE CONTRA COSTA COUNTY GRADING ORDINANCE NO. 99-46

SECTION 716-6.016 CESSATION OF WORK

SECTION 716-4.1430 SUSPENSION AND REVOCATION  
(a)(3)

SECTION 716-4.1210 PERFORMANCE BOND -  
NOTICE OF DEFAULT

NOTE: A COPY OF THE ORDINANCE SECTIONS WAS GIVEN TO THE DEVELOPER AND COPIES OF THE WATER QUALITY ORDER 99-08 PWC

NOTE: CONTACT THE REGIONAL WATER QUALITY CONTROL BOARD IMMEDIATELY PER ITEM #4 OF THIS NOTICE (ANTICIPATED NON-COMPLIANCE).

— NOTICE —

This Note To Be On Jobsite At Next Inspection

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**SunCal Companies**

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 23, 2008

VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Delta Coves

Dear Rob:

As you have been previously advised, we received the attached Notice of Violation from the California Regional Water Quality Control Board for the Delta Coves project for violation of Sections A.6 and C.2 of our NPDES General Permit for the site.

At this time the Water Board is demanding action in two parts according to the Notice of Violation. The first being a written explanation of how and when BMP's will be installed and second, the installation of erosion and sediment control for the site. Although somewhat ambiguous, per the violation letter these are to be provided no later than November 1, 2008. After speaking with Kim Schwab of the Water Board in an effort to demonstrate compliance and concern, we were able to extend the due date for the installation of the erosion control measures to Monday November 3, 2008. During this phone conversation, Ms. Schwab did confirm and make it clear that if there were not crews working on erosion control measures by November 3, the Water Board would have no choice but to fine the project for non compliance. The fines which we would receive start on November 3, 2008 and would be \$10,000. Each following day will also be \$10,000 until compliance to our permit has been met.

It is also important at this time to revisit the two Notices of Violation from the Bay Area Air Quality District the project received. The violations received were given for fugitive dust leaving the site and are a direct result from the above

Mr. F. Robert Brusco  
October 23, 2008

Page 2

mentioned lack of erosion and sediment control. These were issued on October 9 and 10, 2008. Should there be another violation given, the Air Quality district also has the authority to impose \$10,000 fines for each daily offense. The Air Quality District also reserves the right to impose fines based on negligence, frequency of violations, and time of response of any cleanup and construction undertaken, to mitigate the violation.

Very truly yours,

SunCal Management LLC



Bruce V. Cook  
General Counsel

cc: Kevin Fielding  
Ed Horn  
Steve Howell



Linda S. Adams  
Secretary for  
Environmental  
Protection

California Regional Water Quality Control Board  
Central Valley Region

Karl E. Longley, ScD, P.E., Chair

11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114  
Phone (916) 464-3291 • FAX (916) 464-4645  
http://www.waterboards.ca.gov/centralvalley



Arnold  
Schwarzenegger  
Governor

17 October 2008

**CERTIFIED MAIL**  
7008 1140 0002 8805 2146

Steve Howell/Ed Horn  
SunCal Companies  
1430 Blue Oaks Boulevard, Suite 200  
Roseville, CA 95747

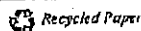
**NOTICE OF VIOLATION, CONSTRUCTION STORM WATER GENERAL PERMIT NO.  
CAS000002, DELTA COVES VENTURE LLC SUNCAL COMPANY, WDID NO.  
5S07C344548, CONTRA COSTA COUNTY**

Central Valley Water Board staff has received numerous County Inspection Reports, Notices of Non-Compliance, Notices of Correction, Notices to Comply and letters of request for action (see attached documents) for the Delta Coves Venture LLC SunCal Company (Delta Coves) construction site located at 6013 Bethel Island, Contra Costa County. These inspections were conducted by Contra Costa County staff to evaluate compliance with their municipal storm water requirements. From the photographs, Water Board staff has also determined that you are in violation of the NPDES General Permit for Storm Water Discharges Associated with Construction Activities, NPDES No. CAS000002, Order No. 99-08-DWQ (General Permit). As the owner of the property, Delta Coves is responsible for complying with all of the conditions of the General Permit.

From the photographs, it is apparent that the Delta Coves site lacks effective erosion and sediment control BMPs. In addition Contra Costa County staff observed sediment on the sidewalks and streets, in the gutters, on the edges of the rock slopes immediately adjacent to the waterway, in and around the drain inlets, and suspended in the air from high winds (see enclosed photographs).

- The site was found to be in violation of Section A.6 of the General Permit which requires that, "Erosion control, also referred to as "soil stabilization" is the most effective way to retain soil and sediment on the construction site. The most efficient way to address erosion control is to preserve existing vegetation where feasible, to limit disturbance, and to stabilize and revegetate disturbed areas as soon as possible after grading or construction. Particular attention must be paid to large mass-graded sites where the potential for soil exposure to the erosive effects of rainfall and wind is great. Mass graded construction sites may be exposed for several years while the project is being built out. Thus, there is potential for significant sediment discharge from the site to surface waters. At a minimum, the discharger/operator must implement an effective combination of erosion and sediment control on all disturbed areas during the rainy season." Contra Costa County's rainy season begins on 1 October. During the 14 October inspection, the Delta Coves construction site did not have an effective combination of erosion and sediment control BMPs (see attached photographs).

California Environmental Protection Agency



Steve Howell/Ed Horn  
Notice of Violation  
Delta Coves Venture LLC SunCal Co  
WDID 5S07C344548

- 2 -

17 October 2008

- The site was found to be in violation of Special Provision C.2 of the General Permit which requires that, "All dischargers shall develop and implement a SWPPP in accordance with Section A: Storm Water Pollution Prevention Plan. The discharger shall implement controls to reduce pollutants in storm water discharges from their construction sites to the Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (BCT) performance standard." During the 14 October inspection, the Delta Coves construction site did not have controls implemented to the BAT/BCT standard.

In addition, Contra Costa County staff has informed the Regional Water Board that Delta Coves has been discharging soil onto an adjacent 17 acre parcel that is not part of the Construction General Permit. The adjacent parcel does not have any "soil stabilization" BMPs on site. We are concerned that this property may potentially cause a storm water discharge by rainfall or wind erosion. Please address Delta Coves' plans to stabilize the soil on the adjacent property in your response to this Notice of Violation.

#### Response

In response to this Notice of Violation, Delta Coves must immediately do the following:

- Install and maintain an effective combination of erosion and sediment control BMPs throughout the project.

In order to demonstrate compliance with the General Permit, we request that Delta Coves submit the following to the Central Valley Water Board by **24 October 2008**:

- A written explanation of how and when (no later than **1 November 2008**) BMPs will be installed and maintained on the project site.

Send the information to:

Attn: Kim Schwab  
Central Valley RWQCB  
11020 Sun Center Drive # 200  
Rancho Cordova, CA 95670

Violations of the General Permit have exposed Delta Coves to possible further enforcement action. Under Section 13385 of the CWC, the Water Board can impose administrative civil liabilities for violations of CWC Section 13376. The maximum administrative civil liability for each day of violation is ten thousand dollars (\$10,000).



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Cook Decl. Part 6 Page 28 of 32

Steve Howell/Ed Horn  
Notice of Violation  
Delta Coves Venture LLC Suncal Co  
WDID 5S07C344548

- 3 -

17 October 2008

If you have any questions, contact Kim Schwab at (916) 464-4606.

*Sue McConnell*

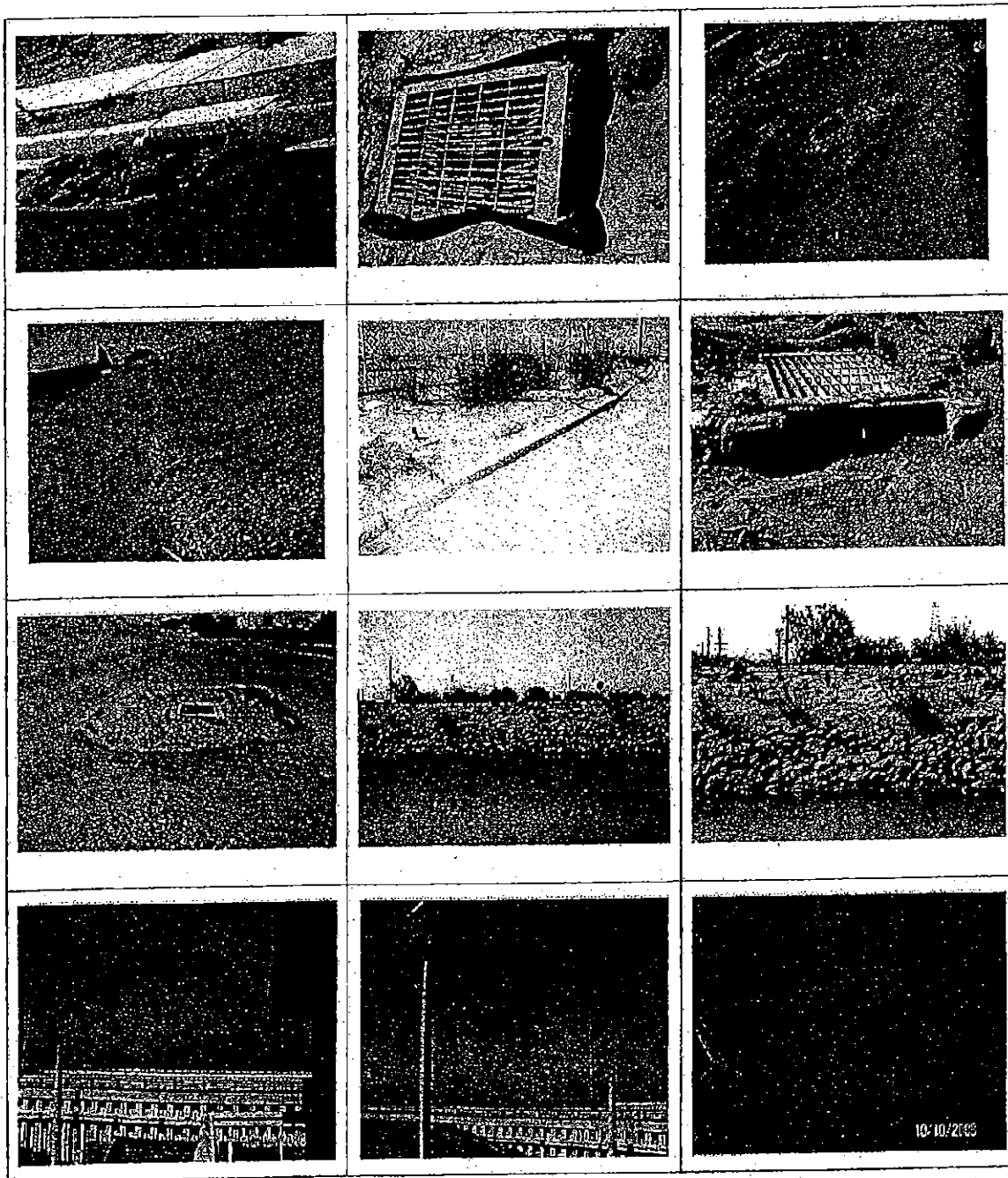
SUE MCCONNELL  
Chief, Storm Water Compliance and Enforcement Unit

Enclosures: Contra Costa County Documents  
Site photographs

cc: Eugene Bromley, US EPA, San Francisco  
Simon Winer, Senior Air Quality Inspector, BAAQMD  
Contra Costa Board of Supervisors  
Kevin Emigh, Assistant Public Works Director, Contra Costa County  
David Swartz, Watershed Management Planning, Contra Costa County  
Rich Lierly, Flood Control, Contra Costa County  
Gary Faria, Building Inspection, Contra Costa County  
Marguerite Lawry, Bethel Island Municipal Improvement District

Contra Costa County (CCC) Inspection Photos Provided by:  
David Swartz, CCC Watershed Mgt. Planning Specialist  
255 Glacier Drive  
Martinez, CA 94553  
(925) 313-2281

Photo Dates: 10/14/08 and 10/9-10/08





## SunCal Companies

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4030

WWW.SUNCAL.COM

October 24, 2008

VIA E-MAIL & FEDERAL EXPRESS

Mr. F. Robert Brusco  
LEHMAN BROTHERS  
745 7th Ave., 7th Floor  
New York, NY 10019

*Re: Lehman Projects*

Dear Rob:

As you know, I am general counsel to SunCal Management, LLC ("SunCal"), which is providing management services for residential real estate projects in which affiliates of Lehman and affiliates of SunCal Companies are involved.

As you are also aware, SunCal has been attempting for weeks to obtain funding from Lehman for the essential and critical health and safety as well as value preservation issues relating to the real estate projects which Lehman is obligated to fund. There has been absolutely no funding for these projects since the filing of the Lehman bankruptcy, despite practically daily assurances that funding was forthcoming.

At this time, the health and safety issues are urgent, as we have advised you many times, including the levee situation at Delta Coves and friable asbestos at Oak Knoll. I am not exaggerating as literally human lives as well as loss of property are being put at risk from situations such as levee failure, airborne friable asbestos, and possible brush fires in densely populated areas during peak periods of the California fire season due to failure to fund needed maintenance. In addition, the condition and value of the assets are irretrievably wasting, fines have been assessed and more are imminent, entitlements are at risk, availability of resources such as water are at risk, governmental entities are taking action such as calling bonds, and we are receiving daily angry phone calls from residents affected by the lack of funding for these projects.

As Lehman has made empty promises and delayed while the pressure builds on these absolutely critical and urgent matters, SunCal has opened discussions to obtain an alternative source willing to fund obligations up to \$35 million for these essential and critical matters, provided that Lehman's loans are subordinated pursuant to a debtor-in-possession funding facility approved by the applicable bankruptcy court.

SunCal-Ltr FRBrusco ReLehman Projects (10-24-08)

Mr. F. Robert Brusco  
LEHMAN BROTHERS  
October 24, 2008  
Page 2

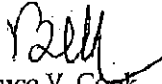
Based on all of these factors, SunCal has no alternative but to move forward and cause bankruptcies to be filed for all of the following entities in order to secure the necessary funding from the referenced third party so that these health and safety and value deterioration issues can be immediately addressed, which action we feel is in the best interests of the projects and of Lehman;

SunCal Bickford Ranch, LLC	SunCal Torrance Properties LLC
Palmdale Hills Property, LLC	SunCal Beaumont Heights, LLC
SunCal Emerald Meadows Ranch, LLC	SunCal Johansen Ranch, LLC
Acton Estates, LLC	SunCal Marblehead, LLC
SJD Partners, Ltd. (and/or LV Pacific Point LLC)	SunCal Heartland, LLC
SunCal Summit Valley, LLC	LB/L-SunCal Northlake, LLC
Seven Brothers, LLC	LB/L-SunCal Oak Valley, LLC
Kirby Estates, LLC	SunCal PSV, LLC
SunCal Century City LLC	Delta Coves Venture, LLC
SunCal Oak Knoll LLC	

As you are also aware, on several of the above projects an affiliate of Lehman is an equity partner that arguably must consent to the Chapter 11 filings. Again, despite repeated requests, Lehman has not responded to our requests for approval of such filings. Unfortunately, the health and safety issues dictate that such action be taken with or without Lehman's consent. Consequently, the purpose of this letter is to provide you three (3) business days notice of such filings.

Very truly yours,

SUNCAL MANAGEMENT LLC



Bruce V. Cook  
General Counsel

cc: Harvey Miller, Esq. (Via E-Mail and Federal Express)  
Michael Bond, Esq. (Via E-Mail and Federal Express)

SunCal-Ltr FR Brusco ReLehman Projects (10-24-08)



## SunCal Companies

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 24, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Marblehead, San Clemente, CA

Dear Rob:

As we have advised you, the City of San Clemente has acted to call the bonds with respect to the Marblehead project. This will have serious repercussions to the project and to SunCal. Work must recommence immediately to forestall City action. In addition, I also wanted to make sure you are aware of other issues impacting this project. There are several cost and/or construction items that need to be addressed, related to keeping the Marblehead project from experiencing significant negative impact in terms of asset value. To avoid potential liabilities and damage to the asset, someone must immediately assume responsibility for these matters.

We have an obligation to complete several visible and heavily-traveled public streets, per our recent agreements with the City of San Clemente, due to public health and safety issues. These streets include Avenida Pico, Via Socorro, Avenida Vista Hermosa and El Camino Real. Work has begun on all except El Camino Real. As noted above, the City has called the bonds to compel completion of this work. All of the foregoing improvements are necessary for public health and safety.

Similarly, we have an obligation to complete several critical improvements within the commercial site - storm drains, a water line and conduits for an AT&T fiber-optic communications line. We have an obligation to complete these facilities and to complete the grading of the site for delivery to the Buyer per the Purchase and Sales Agreement (PSA.) Since the commercial property will generate substantial

Mr. F. Robert Brusco  
October 24, 2008

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sales and property tax revenues to the City, the City Council has demanded completion in a timely manner. The storm drains are regional facilities and must be completed as soon as possible to avoid drainage problems to upstream, adjacent properties. The water line and the conduits are relocations of existing facilities and must be completed before the site grading can be completed.

We have an obligation to complete the City's Sports Park. Originally, we had scheduled resumption of construction for October, 2009, but during recent meetings with the City and based on direction from Lehman, we told the City we would negotiate with the vendors involved and try to accelerate resumption of construction.

We have an obligation to maintain and irrigate the large Habitat Maintenance Plan within the conservation easement. The easement holder, Center for Natural Lands Management (CNLM), will issue a Notice of Violation (NOV) and assess penalties if maintenance is stopped. The maintenance contractor and related consultants (habitat oversight and biologist) have left the site due to lack of payments. The City notified us that they will turn off the water to the irrigation system if water bills are not paid current by October 31. CNLM issued a NOV and assessed a fine earlier this year. While the violations were corrected, the fine has not been paid and is included in Open AP.

Since erosion control measures required by the City and the State Regional Water Control Board have not been implemented, the City has visited the site several times in the past two weeks and notified us that they will assess a penalty of \$500 per day per location until the measures are implemented. They did not define "locations" but if just five locations are cited, the penalty will be \$2,500 per day. If the State inspectors visit the site, additional penalties are likely. State penalties are likely to exceed City penalties. Enclosed is a citation from the City assessing a \$2,800 penalty. The site is very sensitive due to the conservation easement being located in the central area, and due to the proximity of the Pacific Ocean literally across the street. We will be cited for a major violation of laws if either the easement or the ocean is impacted by storm water run-off from our project.

The City Council required us to implement a security patrol during evenings and weekends. The patrol provider is owed money and will most likely leave the project site in the next few weeks if not paid. The patrol is necessary to remove frequent trespassers and homeless persons from the property. Without patrol, we will certainly get complaints from homeowners in the immediately adjacent Colony Cove community and a demand from the City to restore the service.

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Mr. F. Robert Brusco  
October 24, 2008

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We have been working to get landscape maintenance restored for the temporary Sales Office facility, which is closed. The substantial landscape investment has not been adequately irrigated nor maintained for many months. The power company recently notified us that we have breached our agreement for temporary power service and we are meeting with them to try and resolve the issue. Whether we leave the power in place or agree to remove the power facilities, there will be costs involved.

There are many recurring monthly charges for fencing, road barricades, portable toilet service, trash bin service and other temporary facilities required by ordinances and laws, as well as the cost of operating the on-site construction trailer (trailer rental, furniture rental, power pole rental, electric service, water service, telephone service, etc.) which must be paid regularly or the vendors will remove their assets. The trailer is shared with the City's inspector and the bridge inspection company staff. Also, documents and permits required by law to be on-site are stored in the trailer.

Significant Open AP is required to be paid to the contractors currently involved in the construction and maintenance obligations which were specifically requested and directed by Lehman and for which assurances of payment were made. Also, since Radco was unable to finish the pre-May 23 Open AP settlements, there are prior Open AP obligations to some of the contractors currently involved. There are also liens on the commercial site related to some of the Radco pre-May 23 Open AP which are required to be cleared, per the Buyer's PSA, prior to delivering the site to the Buyer. Several contractors have informed us that they will not resume nor start work without assurance of payment by a third-party escrow holding contract balances, so these payment issues must also be resolved before work can resume.

In addition to the overdue payments to the City for water service, there is an outstanding payment of \$34,000 due for Planning Department services, and there will continue to be recurring charges for other City services related to our construction obligations (ongoing Planning Department services, Engineering plan check, Public Works Inspection, Building Department Inspection and City Business License fees.)

The next bi-annual property tax payment is due December 10, 2008 (approximately \$650,000), and scheduled payments for renewal of surety bonds will be coming due throughout the next 12 months.

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Mr. F. Robert Brusco  
October 24, 2008

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These items are critical to maintain the value of the Marblehead asset, as well as to assure future cooperation with the various authorities involved with the project, and to avoid litigation and penalties. They must all be addressed as a priority. Please contact me if you have any questions about this letter.

Very truly yours,

SunCal Management LLC



Bruce V. Cook  
General Counsel

/aa  
Enclosure





## City of San Clemente Engineering Division

Tom Bonigut, Environmental Programs Manager  
Phone: (949) 361-6187 Fax: (949) 492-5289  
BonigutT@San-Clemente.org

RECEIVED

OCT 16 2008

CITY OF SAN CLEMENTE  
ENGINEERING DIV.

October 15, 2008

File Reference:  
WQ Citation No. 12007

David B. Placek  
Vice President, Project Management  
SunCal Companies, South Coastal Division  
2392 Morse Avenue  
Irvine, CA 92614

**Subject:** Administrative Citation for Violations of the City of San Clemente  
Municipal Code (SCMC): Storm Water Runoff Control (Chapter 13.40)  
and Excavations & Grading (Chapter 15.35)

Dear Mr. Placek:

The City of San Clemente has determined that SunCal—Marblehead Coastal violated the above-referenced sections of the SCMC in October 2008 (see attached summary report), due to a failure to implement appropriate measures to control construction site runoff. The City is hereby issuing an Administrative Citation for violations of the SCMC in the amount of \$ 2,800.

Should you have any questions or concerns regarding this enforcement action, please feel free to contact me directly at (949) 361-6187.

Sincerely,

Handwritten signature of Tom Bonigut.

Tom Bonigut, P.E., CPESC, CPSWQ  
Environmental Programs Manager

**Cc:** David Lund, Public Works/Economic Development Director  
William E. Cameron, City Engineer  
Nabil Toma, Principal Civil Engineer  
Jeff Ferrier, Senior Public Works Inspector  
Chuck Dompier, Public Works Inspector

Marblehead BMP Inspection 13Oct08.doc

Engineering Division 910 Calle Negocio, Suite 100 San Clemente CA 92673.



# City of San Clemente

## SUMMARY REPORT

Water Quality Administrative Citation No. 12007  
SunCal—Marblehead Coastal  
San Clemente, CA

Noncompliance with the City of San Clemente Municipal Code (CSCMC)  
Sections 13.40 and 15.36

October 13, 2008

Prepared By  
Tom Bonigut, P.E., CPESC, CPSWQ  
Environmental Programs Manager  
Engineering Division

City of San Clemente  
Summary Report, SunCal-Marblehead Coastal Water Quality Citation No. 12007

## 1. INTRODUCTION

This report summarizes the evidence supporting administrative assessment of civil liability in the amount of \$ 2,800 against SunCal—Marblehead Coastal for violations of the City of San Clemente Municipal Code (SCMC) Chapters 13.40 and 15.36.

## 2. VIOLATION BACKGROUND

On July 29, 2008, City staff provided SunCal with a written reminder on the City's rainy season erosion and runoff control requirements. The City's reminder encouraged SunCal to submit an updated erosion control plan so that it could be reviewed and approved by September 15, 2008 per the City's grading ordinance. SunCal was also reminded that Best Management Practices (BMPs) were to be implemented by October 1, 2008.

SunCal submitted an erosion and sediment control plan on September 2, 2008. City staff reviewed the plan, and although there were some issues with the plan, City staff gave verbal direction to SunCal's Project Superintendent (Dana) to start implementing the plan. Any issues with the plan as submitted would be addressed in the field. When no activity to implement BMPs was noted, City staff issued a written Correction Notice on September 30, 2008, and hand delivered this notice to Dana. City inspectors observed that even after the notice, no work was being done to implement BMPs, thus the project site was inspected on October 13, 2008 by Tom Bonigut. During that site visit, several areas of concern and specific BMP implementation issues were observed as noted in this report.

## 3. MUNICIPAL CODE SECTIONS VIOLATED

SCMC Chapters 13.40 (Storm Water Runoff Control) and 15.36 (Excavations and Grading) both require implementation of appropriate BMPs<sup>1</sup> and erosion control devices as follows:

### *Section 13.40.057 – Best Management Practice (BMP) and Monitoring Program Requirements*

Part A: BMPs. Every person owning property or conducting any activity, operation or facility shall comply with applicable best management practices (BMPs) as identified in the NPDES Permit, DAMP, LIP or as otherwise may be required by the City Engineer in compliance with the NPDES Permit, in order to

<sup>1</sup> BMPs "Best management practices (BMPs)" shall mean schedules of activities, pollution treatment practices or devices, prohibitions of practices, general good housekeeping practices, pollution prevention and educational practices, operation and maintenance procedures and other management practices or devices to prevent or reduce to the maximum extent practicable (MEP) the discharge of pollutants directly or indirectly to stormwater, receiving waters or the stormwater drainage system. BMPs may be structural or non-structural, and include, but are not limited to, site design, source control, treatment control, and natural design methods. BMPs may include any type of pollution prevention and control measure that can help to achieve compliance with this chapter." (40 CFR § 122.2, CSCMC Section 13.40.030)



City of San Clemente

Summary Report, SanCal-Marblehead Coastal Water Quality Citation No. 12007

- Violation #3: Missing or incomplete BMPs to control runoff at the east end of the newly paved portion of Avenida Pico (by the phone company building). Refer to Photos 8 and 9). Penalty amount is \$500.
- Violation #4: No BMPs to control runoff in the newly paved areas of Avenida Vista Hermosa. No berms to direct runoff toward catch basin inlets (since there is no final paving lift yet on the street). Refer to Photos 10 through 12. Penalty amount is \$500.
- Violation #5: No BMPs to direct runoff away from the internal dirt access road that cuts through the main canyon, and no BMPs on the road to control runoff (see Photos 13 and 14). Penalty amount is \$500.
- Violation #6: No BMPs to control runoff on the dirt access roads at the bridge site. Slope protection BMPs need to be repaired. Perimeter control BMPs adjacent to the creek need to be repaired. See Photos 15 through 19. Penalty amount is \$500.
- Violation #7: No BMPs to control runoff in the paved and unpaved portions of Avenida Pico. The west end needs perimeter controls and temporary desilting basins. See Photos 20 through 23. Penalty amount is \$500.

The total administrative citation penalty amount for the above violations is \$2,800. Failure to correct the deficiencies noted and implement appropriate BMPs may result in additional monetary penalties, which could accrue daily until appropriate BMPs are implemented.

City of San Clemente  
Summary Report, SunCal-Marblehead Coastal Water Quality Citation No. 12007



Photo 1. Perimeter BMP needs to be refreshed for proper function.



Photo 2. Evidence of sediment discharge. BMPs need to be refreshed.



Photo 3. Accumulated sediment must be cleaned from lined ditches.



Photo 4. Broken gravel bags must be replaced and re-set.

City of San Clemente  
Summary Report, SunCal-Marblehead Coastal Water Quality Citation No. 12007



Photo 5. Clean out lined ditches and re-set perimeter controls.



Photo 6. Clean out lined ditches and re-set perimeter controls.

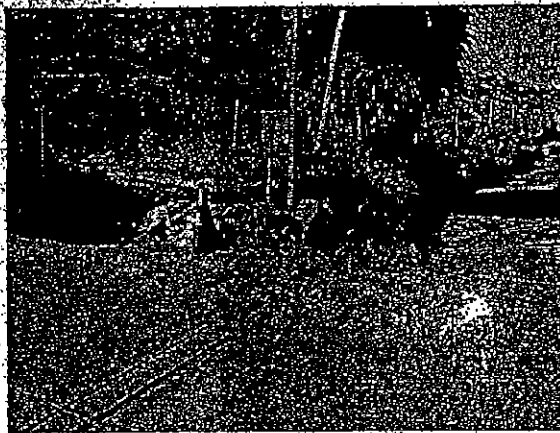


Photo 7. Replace broken gravel bags and rebuild berm area for proper function.

City of San Clemente  
Summary Report, SunCal-Marblehead Coastal Water Quality Citation No. 12007



Photo 8. Re-establish temporary desilting basin to control runoff from newly paved area and dirt area behind the curb (which collects slope runoff also).



Photo 9. No check dams to control runoff from slopes.

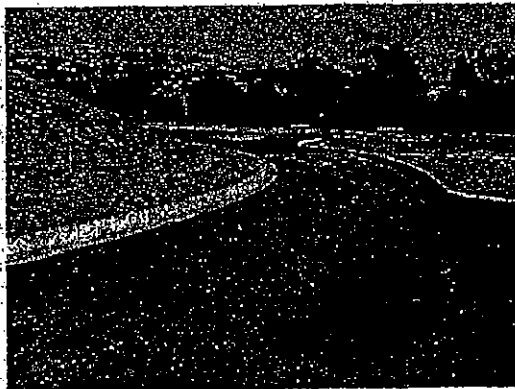


Photo 10. No BMPs to control runoff from slopes, dirt areas behind curb, or on newly paved areas of AVH.

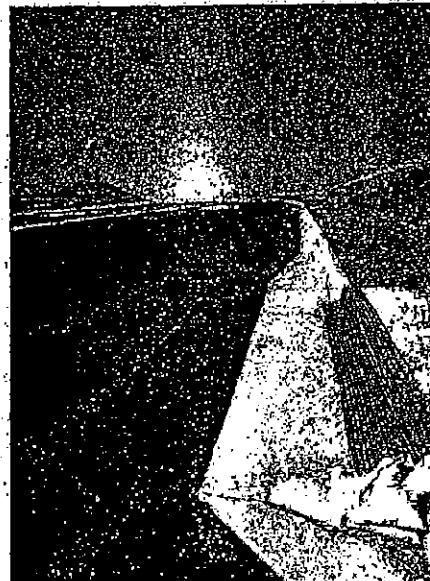


Photo 11. No check dams in street to control runoff. No berms to direct runoff into catch basin inlets (street does not have a final lift of pavement).





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City of San Clemente  
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Photo 16. No BMPs to control runoff on dirt access roads for bridge construction.



Photo 17. Typical example of failed slope protection at the bridge site.



Photo 18. Broken perimeter BMPs adjacent to the canyon bottom/creek at the bridge site.

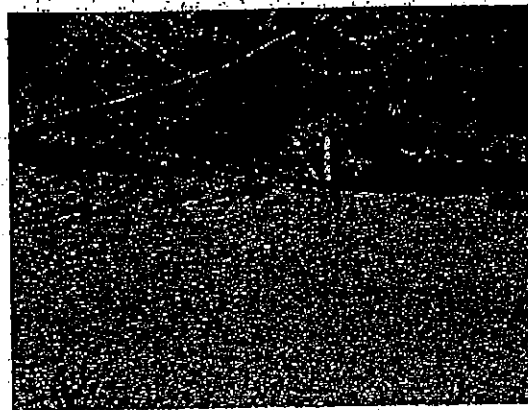


Photo 19. Broken perimeter BMPs adjacent to the canyon bottom/creek at the bridge site.

City of San Clemente  
Summary Report, SunCal-Marblehead Coastal Water Quality Citation No. 12007



Photo 20. Insufficient or missing BMPs to control runoff in newly paved portion of Avenida Pico.



Photo 21. Insufficient or missing BMPs to control runoff in newly paved portion of Avenida Pico.

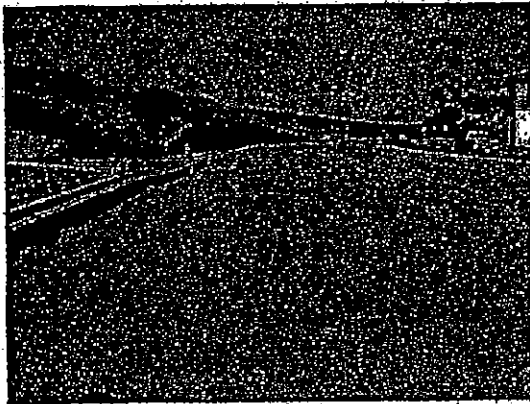


Photo 22. No BMPs to control runoff in the unpaved portion of Pico.

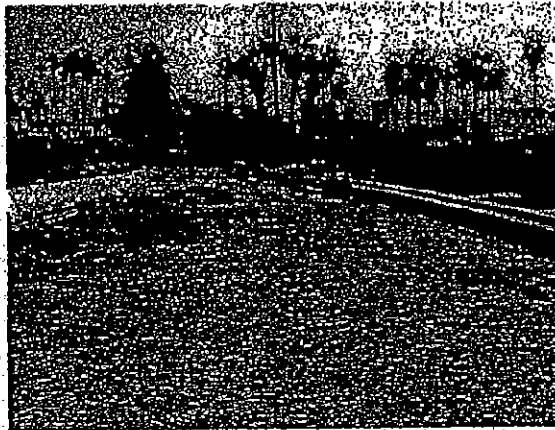


Photo 23. Need to re-establish perimeter controls and check dams/desilting basin at west end of Pico.



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## SunCal Companies

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October 24, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Heartland

Dear Rob:

This letter will address the significant issues that need to be addressed on this project to avoid potential significant damage to the asset value of the project. The project is located in the City of Beaumont which is within Riverside County, California. The significant issues for this project are as follows:

The two significant issues that need to be addressed on this project are the extension of the California Department of Fish and Game (CDF&G) 1602 permit, and the refurbishment and installation of erosion control facilities for the 2008/2009 rainfall season.

A request was sent in May 2008 to CDF&G requesting an extension of the original 1602 permit which had an expiration date of June 6, 2008. CDF&G's response to our requested extension of the permit was that our request is denied due to our inactivity in proceeding to complete the required establishment of the 20 acres of wetlands mitigation, the granting of a 120 acre open space conservation easement, and wetlands mitigation reporting; all as required within the 1602 CDF&G permit. These items have not proceeded due to the current lack of funding for the project.

After hearing about the Lehman bankruptcy filing, on September 24, 2008, CDF&G and the City of Beaumont issued a Demand for Payment of the wetlands mitigation performance bond. Although the bond has been called, we are working with the City of Beaumont and CDF&G to set a meeting that strategizes how we

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Mr. F. Robert Brusco  
October 24, 2008

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can move forward with the wetland mitigation improvements without having to call the bond.

Another significant issue that needs to be addressed on this project is the refurbishment and installation of erosion control facilities and dust control. It should however be noted that the Heartland project may be subject to potentially higher fines from the RWQCB if erosion control facilities are not sufficiently installed by the occurrence of the first significant rainfall event. This is due to the Heartland project location being adjacent to two large storm drainage tributaries (San Timoteo Creek and Coopers Creek).

Please let me know as soon as possible when you want to proceed with these significant project items.

Very truly yours,

SunCal Management LLC

  
Bruce V. Cook  
General Counsel



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October 24, 2008

**VIA E-MAIL AND MAIL**

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: SunCal PSV, LLC (Avalon)

Dear Rob:

As we have previously discussed, there are ongoing urgent needs relating to the maintenance of the above-referenced project. The failure to address these matters and pay the costs associated with addressing them could significantly and adversely impact the value of the project.

We have previously submitted to you the 12 month spend projections for the project, showing our estimate of costs and expenses necessary for the continued maintenance of the project. We are requesting that you immediately fund the following expenses so that we can continue to maintain the project in good standing with the local agencies.

Palm Springs Village is located at the northwest end of the City of Palm Springs along Indian Canyon Road, and is susceptible to high winds during the spring and fall of each year. As we have previously advised you, the site is under close scrutiny by the City of Palm Springs as well as the State of California due to its proximity to high wind areas and blowing dust and sand. Our dust control consultant has left the site due to non payment, and we have no funding for emergency situations as required by the State and City. We are at risk for substantial fines until funding is in place, and consultants return. We also have a potential civil liability to adjacent homeowners who are impacted by dust. The following is a minimum that we need in order to get the program back in place:

Mr. F. Robert Brusco  
October 24, 2008

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1. Stormwater Compliance Managers: This consultant retains all past records and is the on-site monitor that has been available for emergency wind events, day-to-day monitoring, and day-to-day recordation of wind speed, rainfall for SWPPPs, street sweeping, etc.
2. Consultant / monitoring costs: This amount is made up of 52 weeks, 10 hours per week @ \$40 per hour. This is a minimum program, but will allow the monitor to visit the site a few days per week for a couple of hours per day, and additional time for remaining on site for high wind events, which are starting in the next 5-7 days. This is an absolute minimum for a site of this nature that receives high winds on a regular basis from October through December and from March through May.
3. Soil stabilization touch up: This is a cost for 20 acres of touch up required for an immediate response to any complaints received, which are currently being received. This will seal the transitory sand and dust that settles on our already stabilized soil after wind events. This sand builds up over time, and needs to be re-stabilized for the plan to work.
4. Soil re-stabilization: We must re-apply approximately 100 acres @\$260 per acre following the windy season to solidify all of the transitory sand that has accumulated.
5. Fund for emergency water trucks: This is something that we hopefully will not have to use, but a plan must be in place for a minimum 1 hour response time if the AQMD or City requests water trucks during a high wind event.

Due Immediately: \$20,400

Fund for Monitoring over the next year: \$63,200

There also exists a risk in keeping the Golf Course alive, which is grown in, and landscaped. If we do not provide funds for consultants and contractors, the golf course will die within two to three weeks, due to the harsh desert environment and changing weather. Today we were advised that the maintenance people have walked off the job and therefore any delay in



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Mr. F. Robert Brusco  
October 24, 2008

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addressing this will result in the loss of the golf course. The following are issues that must be addressed:

1. Pay all utility costs to keep temporary power in place, required for lake pumps and irrigation system.
2. Pay temporary power system costs to keep system in place.
3. Pay golf course consulting costs to monitor and operate irrigation system.
4. Pay funds to get irrigation computer back into place.

Due Immediately: \$39,000

Fund to keep irrigation system running over the next year: \$89,000

In view of the funding problems, funds may need to be in place before contractors will return to the site. Please let me know how you desire to proceed with respect to these urgent matters.

Very truly yours,

SunCal Management LLC



Bruce V. Cook  
General Counsel

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October 24, 2008

**VIA E-MAIL AND MAIL**

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Del Amo

Dear Rob:

With respect to the Del Amo project, the asset is suffering irreparable harm due to the lack of funds. All entitlement efforts with the City of Torrance have come to a halt. This includes all community outreach in a very active neighborhood group environment. Negative opinions are being formed based on newspaper and blog reporting and we do not have the resources necessary to correct the record and, perhaps more importantly, to act proactively to achieve positive views.

We hope that action can and will be taken swiftly to address this deteriorating situation.

Very truly yours,

SunCal Management LLC

Bruce V. Cook  
General Counsel

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## SunCal Companies

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October 24, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: LB/L-Suncal Oak Valley, LLC - Fairway Canyon

Dear Rob:

This letter will address the significant issues that need to be addressed on this project to avoid potential significant damage to the asset value of the project. The project is located in the City of Beaumont which is within Riverside County, California. The significant issues for this project are as follows:

The most significant issue that needs to be addressed on this project is the refurbishment and installation of erosion control facilities for the 2008/2009 rainfall season. These erosion control facilities include the installation and maintenance of sediment basins, silt fences, straw wattles, sandbag chevrons, earthwork berming, hydro seeding of slopes, and the installation of an acceptable polymer material on graded slopes and residential pads. These measures will insure the stability of our recently graded project areas and will greatly enhance erosion control protection of the project. The implementation of these facilities is also required by the California Regional Water Quality Control Board (CRWQCB), and if not sufficiently installed by the occurrence of the first significant rainfall event, will potentially result in excess project fines.

The Oak Valley project is surrounded throughout by an existing PGA golf course. Thus, we need to install the aforementioned erosion control facilities to prevent any sediment from eroding on to the golf course during a rainfall event. The costs to repair potential damage to fairways, tees and greens can be exorbitant and could also include cost damages related to loss of play.

Mr. F. Robert Brusco  
October 24, 2008

Page 2

The Oak Valley project is also subject to potential property damage from fire and blowing sediment during wind storms. With the Beaumont area often experiencing winds in excess of 50 miles per hour, it is essential for us to provide weed abatement and dust protection and treatment of the graded future residential areas to prevent fire and sediment damage to adjacent homeowners, the golf course and potential fines from the Air Quality Management District (AQMD).

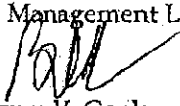
In addition to the previously mentioned issues, access to the project via Cherry Valley Boulevard and Palmer Avenue needs to be addressed. The halting of construction on these roads left a very unsafe situation. The grading adjacent to the road, adequate lighting and road delineation and pavement repairs all need to be done to provide safe, adequate access for the existing homeowners.

Lastly, there is an outstanding payment to the HOA. The payment is for the New Source Water Fee and was covered in an agreement with the HOA. Upon receipt, the fee is forwarded to the local water provider, Beaumont Cherry Valley Water District.

Please let me know as soon as possible when you want to proceed with these significant project items.

Very truly yours,

SunCal Management LLC

  
Bruce V. Cook  
General Counsel

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## SunCal Companies

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October 24, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: 10000 Millenium - SunCal Century City

Dear Rob:

With respect to the project commonly referred to as 10000 Santa Monica Boulevard (SunCal Century City), the following matters may have significant financial repercussions if not promptly addressed:

1. All entitlement work has come to a halt due to the lack of funding for third party consultants, engineers, architects, and lawyers. As you know, the political climate in the City of Los Angeles is dynamic and the City Council will have new members in July 2009. Unless the entitlement process is pursued aggressively and without the loss of time we cannot be sure that our entitlement efforts will be successful.
2. We have built much of our public and political outreach efforts around the acclaimed building design we submitted to the City by 2008 Pritzger Prize winning architect Jean Nouvel. Jean has not been paid for quite some time and is now owed over \$1 million for work already completed. Unless Nouvel is paid shortly he will likely quit the project and cause the need to literally start the entitlement and design process over. We may not recover from such a blow.
3. The project site requires constant maintenance of its perimeter landscaping and on-site dust control (to avoid impacts to neighboring property). We cannot address these needs without funds.

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Mr. F. Robert Brusco  
October 24, 2008

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We hope that action can and will be taken swiftly and without delay in  
order to address this deteriorating situation.

Very truly yours,

SunCal Management LLC



Bruce V. Cook  
General Counsel

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October 24, 2008

**VIA E-MAIL AND MAIL**

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Pacific Point, San Juan Capistrano, CA

Dear Rob:

I am writing to you to advise you of several cost and/or construction items that need to be addressed, related to keeping the LV Pacific Point LLC (LVPP) project from experiencing significant negative impact in terms of asset value. To avoid potential liabilities and damage to the asset, someone must immediately assume responsibility for these matters.

LVPP has an obligation to complete construction of Valle Road North Road from La Novia Avenue to San Juan Creek Road. This road is a critical component of the offsite work required of the development, and is secured by surety bonds which, we are advised, are being called by the City of San Juan Capistrano. The partially completed improvements are a public safety hazard. The City Manager has informed us that he has received numerous complaints, and these complaints have been discussed at previous City Council meetings. Of most immediate urgency is the installation of two drain transitions, from slope drains to an existing storm drain, which were previously removed when grading work was started during the summer, and the related filling of two 8' deep holes immediately adjacent to the existing road lanes (estimated cost is \$10,000.) We are ready to execute contracts for the work, upon receiving final determination from LVPP of an unconditional source of funding, of the correct contract form, the contract assignment form for existing contracts and designation of authorized

Mr. F. Robert Brusco  
October 24, 2008

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signers. Several contractors have informed us that they will not resume nor start work without assurance of payment by a third-party escrow holding contract balances, so that issue must also be resolved.

A similar obligation needing attention is reconstruction of site improvements at the California Highway Patrol (CHP) facility on Camino Capistrano Road, across the freeway from the LVPP site. The re-paving of Camino Capistrano Road must also be completed. The permit issued by the CHP will expire in November, and will need to be renewed if work is not resumed soon. However it is unlikely that the CHP will renew the permit, because they have indicated that they will notify the City to request that the surety bonds related to the CHP work be called and that the City should takeover the work.

The City has sent us notices requesting repair of erosion control and water quality devices that protect properties adjacent to the project from winter storm damage. Failure to complete the work in a timely manner will lead to significant fines being imposed by both the City and the Regional Water Quality Control Board (a state agency.)

The project has an obligation to construct a Recreation Center for the residents of the community. The City approval for the Recreation Center expires in October, 2008, and an extension request was filed last week. The project advertising and Department of Real Estate (DRE) budgets include this facility as a major component of the project, and not constructing this facility may lead to the DRE suspending the builder from selling homes. This could subject the project owner to claims of damages from the builder and/or homeowners.

Another frequent homeowner complaint has been the lack of functioning gates at neighborhood entries. The gates are constructed, but due to lack of payments the vendor refuses to complete the programming and controller coordination needed to make the gates functional.

On an overall project basis, significant landscaping has been installed, but is not receiving care due to lack of payment to the maintenance contractor. The cost of replacing dead plant material on completed slopes would be substantial. Ongoing landscape maintenance and utility costs (water and power) must be funded to protect the asset and avoid complaints from residents and City staff. We continue to receive threats and actual incidents of utility service shut-offs due



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Mr. F. Robert Brusco  
October 24, 2008

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to lack of payments. Similarly, ongoing repairs to damaged irrigation equipment and ongoing weed abatement continue to be necessary.

We have received a Notice from the Orange County Fire Authority (OCFA) to implement significant fuel modification repairs to landscaped or modified areas throughout the project, to protect residential structures from potential damage in the event of a fire. We have an estimate from the maintenance contractor for this work, but the contractor will need a payment guarantee, as described above, before starting work. Similarly, the OCFA is demanding that we proceed immediately to complete the access road modification to the existing Lyon Apartments site along Avenida California. We have nearly completed negotiation of the required entry permit with Lyon Apartments and are ready to proceed with construction, pending funding.

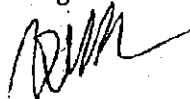
We received an offer from the City of San Juan Capistrano to purchase the school site in the project for use as an affordable housing site. We believe the offer is low and that the City is taking advantage of current market conditions. The City has asked us for a counteroffer, and we need the owner's approval to prepare the counteroffer. We recommend the proforma amount of \$8,500,000.

The next bi-annual property tax payment is due December 10, 2008, and scheduled payments for renewal of surety bonds will be coming due throughout the next 12 months.

These items are all critical to maintain the value of the LVPP asset, as well as to assure future cooperation with the various authorities involved with the project, and to avoid litigation and penalties. They must all be addressed as a priority. Please contact me if you have any questions about this letter.

Very truly yours,

SunCal Management LLC



Bruce V. Cook  
General Counsel

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## SunCal Companies

CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

October 27, 2008

### VIA E-MAIL AND MAIL

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: SunCal Emerald Meadows, LLC

Dear Rob:

This letter will address the significant issues that need to be addressed on this project to avoid potential significant damage to the asset value of the project. The project is located in the City of Rubidoux which is within Riverside County, California.

The urgent issues that need to be addressed on this project are the installation and refurbishment of erosion control facilities, weed abatement, dust control and security. This site is adjacent to the Santa Ana River and numerous existing residences. Given this proximity, this site will be under close scrutiny and susceptible to steep fines should the erosion control facilities not be implemented and maintained.

Funding for our consultant team is necessary to continue the entitlement and mapping process and preserve entitlements. In order to comply with obligations under the purchase agreement and under the agreement with the redevelopment agency, the mapping process needs to continue. Completion of the "I" Map and its subsequent recordation are necessary to obtaining entitlements and complying with existing contractual obligations to third parties. In addition to fulfilling the contractual obligations, transfer of the church site, which cannot be done until the "I" Map is recorded, will facilitate the ability to clear title on Emerald Meadows Ranch parcels.

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Mr. F. Robert Brusco  
October 27, 2008

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The site fencing needs to be maintained regularly to repair damage and prevent illegal dumping. The County of Riverside has aggressively sent notices of violation to property owners where dumping occurs.

Please let me know as soon as possible when you want to precede with these significant project items.

Very truly yours,

SunCal Management LLC

Bob

Bruce V. Cook  
General Counsel

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CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614  
  
MAIN 949 777 4000  
FAX 949 777 4050  
  
WWW.SUNCAL.COM

October 27, 2008

**VIA E-MAIL AND MAIL**

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: SunCal Beaumont Heights, LLC

Dear Rob:

With respect to the Beaumont Heights project, there is the need for an on-going effort to perform weed abatement as this is a dangerous fire area. This project is located in an area that had a very dangerous fire last year where several fire fighters died. Given that recent memory, weed abatement to prevent wildfires is a top priority with the County of Riverside Fire Department.

Please let me know as soon as possible when you want to precede with this project item.

Very truly yours,

SunCal Management LLC

Bruce V. Cook  
General Counsel

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CORPORATE OFFICE  
2392 MORSE AVENUE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

November 4, 2008

**VIA E-MAIL AND MAIL**

Mr. F. Robert Brusco  
Lehman Brothers  
745 7th Avenue  
7th Floor  
New York, NY 10019

Re: Lehman Projects

Dear Rob:

Based on Lehman's unwillingness to fund any costs or expenses needed to meet public health and safety issues on its various projects, including projects that are part of the omnibus transaction as well as other projects, I have to ask if it is also Lehman's intent to let insurance coverage on all of the projects lapse. We are also asking if it is Lehman's intent not to pay real property taxes with respect to the projects that will become delinquent if not paid on or before December 10, 2008.

Very truly yours,

Bruce V. Cook  
General Counsel

## EXHIBIT “18”

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LEHMAN ALI INC.  
LEHMAN COMMERCIAL PAPER INC.  
NORTHLAKE HOLDINGS LLC  
OVC HOLDINGS LLC  
745 Seventh Avenue  
New York, New York 10019

November 13, 2008

VIA E-MAIL AND FACSIMILE

SCC Acquisitions, Inc.  
c/o SunCal Companies  
2392 Morse Avenue  
Irvine, California 92614  
Attention: Bruce V. Cook, Esq.

Re: SunCal/Lehman Omnibus Transaction

Gentlemen:

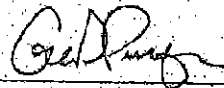
We are in receipt of Mathew Wyman's letter to Michael Bond dated September 29, 2008. Reference is made to the Restructuring Agreement referred to in the letter. All capitalized terms used herein shall have the respective meanings set forth in the Restructuring Agreement.

We dispute the assertions in Mr. Wyman's letter that the Closing Conditions for the requisite number of properties have been satisfied and that Lehman is therefore obligated to close the settlement transactions as contemplated in the Restructuring Agreement. Pursuant to the Restructuring Agreement, among other conditions, the SunCal Parties are required to obtain all Required Consents for a minimum of eight Conveyance Properties that are within the same group of Related Conveyance Properties. It is our understanding that such Required Consents have not been obtained.

Therefore, pursuant to Section 1(d) of the Restructuring Agreement, the undersigned hereby terminate the Restructuring Agreement as to all SunCal Parties which are not currently debtors in chapter 11 cases pending in the United States Bankruptcy Court for the Central District of California.

Very truly yours,

LEHMAN ALI INC.

By: 

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SCC Acquisitions, Inc.  
November 13, 2008  
Page 2.

LEHMAN COMMERCIAL PAPER INC.

By: 

NORTHLAKE HOLDINGS LLC

By: 

OVC HOLDINGS LLC

By: 

cc: Mr. Bruce Elieff  
Mr. Steve Elieff  
Mathew A. Wyman, Esq.  
Erica A. Bose, Esq.  
F. Robert Brusco, Esq.  
W. Michael Bond, Esq.  
Nellie P. Camerik, Esq.

MH3202778034CG001.DOC55399.0004



## EXHIBIT “19”

Debtor	Creditor	Proof of Claim #	Claim Amount
<b>Acton Estates, LLC</b>			
	SunCal Management, LLC	POC #2	\$ 44,173.26
	SCC Acquisitions, Inc.	POC #3	\$ 3,000.00
	SunCal Management, LLC	POC #4	\$ 59,241.68
	Bond Safeguard Insurance Company and Lexon Insurance Company Insurance Company	POC #7	\$ 1,290,000.00
	SCC Acquisitions, Inc.	POC #8	\$ 1,290,000.00
	Bruce Elieff	POC #9	\$ 1,290,000.00
	Arch Insurance Company	POC #10	\$155,423,657(contingent)
	Rohm Insurance Agency	POC #11	\$131,588.73 (liquidated)
			\$ 14,150.00
<b>SunCal Bickford Ranch, LLC</b>			
	Cook's Portable Toilets & Septic	POC #1	\$ 2,743.21
	Hertz Equipment Rental Corp.	POC #2	\$ 25.51
	Ecorp Consulting, Inc.	POC #3	\$ 23,211.60
	MHM Engineers & Surveyors	POC #5	\$ 8,916.67
	Land Architecture, Inc.	POC #6	\$ 100,245.39
	Fehr & Peers Associates, Inc. Associates, Inc	POC #7	\$ 1,123.22
	Far West Construction, Inc.	POC #8	\$ 72,502.47
	BIA Riverside Sign Program	POC #9	\$ 5,175.00
	Kiewit Pacific Co.	POC #10	\$ 1,868,357.50
	SunCal Management, LLC	POC #11	\$ 321,703.03
	SCC Acquisitions, Inc.	POC #12	\$ 3,000.00
	SunCal Management, LLC	POC #13	\$ 324,769.28
	ARB, Inc.	POC #15	\$ 1,052,272.82
	SunCal Master Venture Member, LLC	POC #18	\$ 20,451.40
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #19	\$ 2,500,000.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #20	\$ 327,548.00
	Pierce's Security	POC #21	\$ 53,919.09
	Arch Insurance Company	POC #22	\$155,423,657(contingent)
	Rohm Insurance Agency	POC #23	\$131,588.73 (liquidated)
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #24	\$ 2,827,548.00
	SCC Acquisitions, Inc.	POC #25	\$ 2,827,548.00
	Bruce Elieff	POC #26	\$ 2,827,548.00
	Murray Smith & Associates Engineering	POC #27; POC #31	\$ 77,107.11
	Independent Construction Co.	POC #28	\$ 117,209.80
	Marques Pipeline, Inc.	POC #29; POC #30	\$ 330,118.00
	MacKay & Soms Civil Eng	POC #32	\$ 14,851.80
<b>SunCal Torrance Properties, LLC</b>			
	SunCal Management, LLC	POC #1	\$ 148,578.54
	SunCal Management, LLC	POC #2	\$ 160,914.00
	MWW Group Inc.	POC #5	\$ 42,019.25
	Arch Insurance Company	POC #6	\$155,423,657(contingent)
			\$131,588.73 (liquidated)
<b>North Orange Del Rio Land, LLC</b>			
	Trench Shoring Company	POC #1	\$ 1,072.50
	Debby Cobb Consulting	POC #2	\$ 415.00
	Carmen A. Morinello	POC #3	\$ 110,000.00
	Ellend & Associates, Inc.	POC #4	\$ 225,000.00
	Matthew Cunningham dba Pacific Strategies	POC #5	\$ 30,000.00
	Econolite Control Products	POC #6	\$ 21,932.51
	SunCal Management, LLC	POC #7	\$ 2,242,240.45
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #8	\$ 3,060,045.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #9	\$ 250,100.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #10	\$ 2,809,945.00
	Bova Contracting Corporation	POC #11	\$ 275,918.33
	SunCal Management, LLC	POC #12	\$ 213,668.78
	SCC Acquisitions, Inc.	POC #15	\$ 3,159,945.00
	Bruce Elieff	POC #16	\$ 3,159,945.00
	Fusco Engineering, Inc.	POC #17	\$ 279,974.18
	Hillcrest Contracting, Inc.	POC #18; POC #24	\$ 295,166.93
	Arch Insurance Company	POC #19	\$155,423,657(contingent)
	Summers Murphy & Partners, Inc.	POC #20	\$131,588.73 (liquidated)
	All American Asphalt	POC #21	\$ 59,350.00
	Rohm Insurance Agency	POC #22	\$ 124,037.20
	City of Orange	POC #23	\$ 32,075.00
			\$ 47,818.75

Debtor	Creditor	Proof of Claim #	Claim Amount
<b>Delta Coves Venture, LLC</b>			
	BKF Engineers	POC #1; POC #15	\$ 121,266.64
	Hertz Equipment Rental Corporation	POC #2	\$ 25,444.15
	Top Grade Construction, Inc.	POC #3; POC #17	\$ 250,000.00
	Pacific Gas and Electric Company	POC #4	\$ 4,208.49
	Howard Construction	POC #5	\$ 2,866.00
	Bellingham Marine Industries, Inc.	POC #6	\$ 2,822,167.18
	SunCal Management, LLC	POC #7	\$ 1,084,858.63
	MBH Architects, Inc.	POC #8	\$ 97,091.24
	Environmental Foresight, Inc.	POC #9	\$ 34,903.70
	Weston/Mason Marketing, Tom Weston, President	POC #11	\$ 32,525.76
	Gibson & Skordal, LLC	POC #12	\$ 586.50
	vanderToelen Associates	POC #13; POC #24	\$ 15,028.09
	Development Planning & Financing Group, Inc.	POC #14	\$ 6,128.00
	Contra Costa County	POC #16	\$ 609,221.68
	Rcse Associates Landscape Architects, Inc.	POC #18	\$ 84,517.14
	SunCal Management, LLC	POC #19	\$ 448,061.00
	SCC Acquisitions, Inc.	POC #22	\$ 27,555,855.00
	Bruce Elieff	POC #23	\$ 27,555,855.00
			\$155,423,657(contingent)
	Arch Insurance Company	POC #25	\$131,588.73 (liquidated)
	Luce Forward Hamillor & Scripps LLP	POC #26; POC #27	\$ 20,069.07
	Rohm Insurance Agency	POC #28	\$ 270,225.00
	Jackson DeMarco Tidus & Peckenpaugh	POC #29	\$ 1,890.00
	Fanelli Development Co	POC #30	\$ 48,380.73
<b>SunCal Emerald Meadows Ranch, LLC</b>			
	Zeiser Kling Consultants	POC #1	\$ 8,984.27
	Hillwig - Goodrow, LLC	POC #2	\$ 3,860.00
	O'Reilly Public Relations	POC #3	\$ 967.90
	SCC Acquisitions, Inc.	POC #4	\$ 15,777.78
	SunCal Management, LLC	POC #5	\$ 174,624.56
	SunCal Master Venture Member, LLC	POC #8	\$ 14,071.10
			\$155,423,657(contingent)
	Arch Insurance Company	POC #10	\$131,588.73 (liquidated)
	David Sandoval	POC #11	\$ 500,000.00
	Moses Green	POC #12	\$ 500,000.00
	Hall & Foreman, Inc.	POC #13	\$ 288,631.72
	Life Church of God in Christ	POC #14	\$ 6,055,000.00
	Proactive Engineering Consultants, Inc.	POC #15; POC #16	\$ 991,315.27
	Rubidoux 60, LLC and EMR Residential Properties, LLC	POC #17	Unknown
<b>SunCal Heartland, LLC</b>			
	Stantec Consulting, Inc.	POC #1; POC #22	\$ 971,341.56
	HD Supply Construction Supply, LTD., dba HD Supply White Cap		
	Construction Supply	POC #2	\$ 44,310.80
	SunCal Management, LLC	POC #3	\$ 397,155.11
	SCC Acquisitions, Inc.	POC #4	\$ 24,065.05
	SunCal Management, LLC	POC #6	\$ 227,266.85
	Pinnick, Inc.	POC #8	\$ 563,159.02
	SunCal Master Venture Member, LLC	POC #10; POC #12	\$ 1,512.80
	SCC JV Ventures, LLC	POC #11	\$ 3,093.28
	Utility Specialists SW, Inc.	POC #13; POC #14	\$ 3,787.50
	Skyview Imaging	POC #15	\$ 525.00
			\$155,423,657(contingent)
	Arch Insurance Company	POC #16	\$131,588.73 (liquidated)
	Stantec Consulting, Inc.	POC #17	\$ 39,459.53
	Dennis M. McCoy & Sons	POC #18	\$ 941,960.00
	SCC Acquisitions, Inc.	POC #19	\$ 28,947,440.00
	Bruce Elieff	POC #20	\$ 28,947,440.00
	Hall & Foreman, Inc.	POC #21; POC #23	\$ 1,175.60
	Waterforce, Inc.	POC #24	\$ 113,750.00
	Jackson DeMarco Idus & Peckenpaugh	POC #25	\$ 3,445.50
<b>SunCal Johansson Ranch, LLC</b>			
			\$ 75.45
	SCC Acquisitions, Inc.	POC #1	\$ 9,417.65
	SunCal Management, LLC	POC #2	\$ 25,598.23
	SunCal Management, LLC	POC #3	\$ 34,101.28
			\$155,423,657(contingent)
	Arch Insurance Company	POC #5	\$131,588.73 (liquidated)
<b>SCC Communities, LLC</b>			
	Southern Cal. Geotechnical	POC #1	\$ 7,550.49
	SunCal Management, LLC	POC #2	\$ 21,804.39
	SCC Acquisitions, Inc.	POC #3	\$ 1,000.00

Debtor	Creditor	Proof of Claim #	Claim Amount
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #4	\$ 25,000.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #5	\$ 12,500.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #6	\$ 12,500.00
	SunCal Management, LLC	POC #7	\$ 27,072.52
	SCC Acquisitions, Inc.	POC #8	
	Arch Insurance Company	POC #10	\$155,423.657(contingent) \$131,588.73 (liquidated)
<b>SunCal Marblehead, LLC</b>			
	Outdoor Dimensions	POC #1	\$ 57,247.88
	Stantec Consulting, Inc.	POC #2; POC #25	\$ 39,459.53
	TriMax Systems, Inc.	POC #3	\$ 75,286.70
	Bulsko Utility Design, Inc.	POC #4	\$ 6,250.00
	Creekside Development, Inc.	POC #5	\$ 780,000.00
	Glenn Lukos Associates, Inc.	POC #6; POC #24	\$ 1,733.34
	California Barricade Rentals, Inc.	POC #7	\$ 5,992.00
	Debby Cobb Consulting, Inc.	POC #8	\$ 2,818.64
	BR South Coast Private Security	POC #9	\$ 38,448.80
	BNB Engineering, Inc.	POC #10; POC #37	\$ 1,608,722.64
	SunCal Management, LLC	POC #11	\$ 1,799,805.75
	SCC Acquisitions, Inc.	POC #12	\$ 4,000.00
	Coastal Living	POC #13	\$ 11,268.00
	Brion Jeannette Architecture	POC #14	\$ 106,481.00
	Security Signal Devices	POC #15	\$ 42,089.00
	Design Alliance	POC #16	\$ 27,943.18
	Steiny and Company, Inc.	POC #17	\$ 259,775.29
	SunCal Management, LLC	POC #18	\$ 591,973.05
	Golden State Fence Co	POC #19	\$ 74,337.00
	SCC JV Ventures, LLC	POC #22	\$ 27,307.61
	SunCal Master Venture Member, LLC	POC #23	\$ 110,151.48
	Boc Busters, Inc.	POC #26	\$ 300.00
	Villa San Clemente, LLC	POC #27	\$ 13,233,103.00
	RMF Contracting, Inc. dba R&M Electrical Contracting	POC #28	\$ 315,591.63
	The Jasper Companies, Inc.	POC #29	\$ 165,260.29
	MediaMax Network LLC	POC #30	\$ 55,155.48
	S & S Seeds, Inc.	POC #31	\$ 15,483.56
	Horticultural Specialists, Inc.	POC #32	\$ 13,000.00
	Horticultural Specialists, Inc.	POC #33	\$ 54,480.20
	Arch Insurance Company	POC #34	\$155,423,657(contingent) \$131,588.73 (liquidated)
	Roddan Paolucci Roddan Advertising	POC #35; POC #36	\$ 427,489.63
	Kirk Negrete, Inc., dba United Steel Placers	POC #38	\$ 270,056.42
	RBF Consulting	POC #39	\$ 132,188.70
	SCC Acquisitions, Inc.	POC #40	\$ 56,510,018.00
	Bruce Elieff	POC #41	\$ 56,510,018.00
	R.J. Noble	POC #42; POC #50; POC #58	\$ 175,030.81
	City of San Clemente	POC #43; POC #51; POC #59	\$ 39,971,734.00
	Jag Construction	POC #44; POC #52	\$ 178,047.68
	Lucast Consulting	POC #45; POC #53	\$ 22,808.26
	Orange County Striping Service, Inc.	POC #46; POC #54	\$ 11,752.27
	RH Masonry, Inc.	POC #47; POC #55	\$ 189,592.00
	Savala Equipment Company, Inc.	POC #48; POC #56	\$ 34,440.00
	Rockey Murata Landscaping, Inc.	POC #60	\$ 285,643.04
<b>LB/L - SunCal Northlake, LLC</b>			
	SunCal Management, LLC	POC #1	\$ 896,008.98
	SCC Acquisitions, Inc.	POC #2	\$ 6,617.65
	Southern California Edison Company	POC #3	\$ 34.48
	SunCal Management, LLC	POC #4	\$ 421,783.35
	Northlake Holdings, LLC	POC #6	\$ 123,654,776.88
<b>SunCal Oak Knoll, LLC</b>			
	RGA Environmental, Inc.	POC #1	\$ 75,617.45
	BKF Engineers	POC #2, #9 & #19	\$308,817.34
	Aboricultural Specialties, Inc. dba The Professional Tree Care Co.	POC #3	\$ 93,925.01
	CST Environmental, Inc.	POC #4	\$ 4,316,169.56
	A-1 Enterprises	POC #5	\$ 1,250.00
	Lamphier Gregory	POC #6	\$ 13,543.88
	SunCal Management, LLC	POC #7	\$ 462,392.86
	Pacific Gas & Electric Company	POC #8	\$ 1,148.52
	SunCal Management, LLC	POC #10	\$ 874,609.00
	Fehr & Peers	POC #13	\$ 3,560.00
	Ralph Osterling Consultants, Inc.	POC #14	\$ 11,688.00
	Tasni & Associates	POC #15	\$ 20,000.00
	WRA, Inc.	POC #16	\$ 27,450.19

Debtor	Creditor	Proof of Claim #	Claim Amount
	Philip Williams & Associates, Ltd.	POC #17, #18, #27	\$ 42,728.00
	ENGEO, Incorporated	POC #20	\$ 55,825.91
	SWA Group	POC #21 & #22	\$ 32,564.54
	Environmental Science Associates	POC #25	\$ 24,234.39
	Pacific Gas & Electric Company	POC #26	\$ 235.96
	Rohm Insurance Agency	POC #28	\$ 8,560.00
	East Bay Municipal Utility District	POC #29	\$ 21,948.36
<b>LB/L - SunCal - Oak Valley, LLC</b>			
	Outdoor Dimensions	POC #1	\$ 170,819.50
	Stantec Consulting, Inc.	POC #2	\$ 174,572.17
	HD Supply Construction Supply, LTD., dba HD Supply White Cap Construction Supply	POC #3	\$ 52,806.70
	Kevin L. Crook Architect, Inc.	POC #4	\$ 65,340.00
	Glenn Lukos Associates, Inc.	POC #5 & #18	\$ 15,469.81
	SunCal Management, LLC	POC #6	\$ 1,163,688.91
	SCC Acquisitions, Inc.	POC #7	\$ 5,300.00
	Weston Mason Marketing	POC #8	\$ 7,721.41
	Pacific Soils Engineering, Inc.	POC #10 & #21	\$ 97,569.13
	SunCal Management, LLC	POC #11	\$ 132,568.22
	Pinnick, Inc.	POC #12	\$ 30,752.71
	Pinnick, Inc.	POC #14	\$ 966,987.04
	SCC Acquisitions, Inc.	POC #15	\$ 4,476.99
	OVC Holdings, LLC	POC #16	\$ 141,630,091.63
	SunCal Master Venture Member, LLC	POC #17	\$ 1,398.23
	Utility Consultants of Orange County	POC #19	\$ 5,550.00
	Cal West Underground, Inc.	POC #20	\$ 4,374.60
	Skyview Imaging	POC #22	\$ 1,025.00
	Hillcrest Contracting, Inc.	POC #23	\$ 136,567.43
			\$155,423,657(contingent)
	Arch Insurance Company	POC #24	\$131,588.73 (liquidated)
	Mackenzie Landscape	POC #25	\$ 121,297.00
	All American Asphalt	POC #26	\$ 60,355.48
	Rohm Insurance Agency	POC #27	\$ 182,774.00
	Pacific Soils Engineering Inc.	POC #28	\$ 153,910.10
	SCC Acquisitions, Inc. Inc	POC #29	\$ 26,167,563.15
	Bruce Elieff	POC #30	\$ 25,167,563.15
	Los Angeles Times	POC #31 & #33	\$ 39,295.00
	Los Angeles Times	POC #32 & #34	\$ 4,315.00
	Proactive Engineering Consultants, Inc.	POC #35 & #36	\$ 280,685.20
	Nissho of California, Inc.	POC #37	\$ 42,570.00
	Waterforce Inc.	POC #38	\$ 20,893.30
	Jackson DeMarco Tidus & Peckenough	POC #39	\$ 19,383.02
	Corporation Service Company	POC # 40	\$ 56.49
<b>SJD Development Corp.</b>			
	SCC Acquisitions	POC #3	\$ -
	MWW Group Inc.	POC #5	\$ 42,019.25
			\$155,423,657(contingent)
	Arch Insurance Company	POC #6	\$131,588.73 (liquidated)
<b>SJD Partners, Ltd.</b>			
	Hunsaker & Associates - Irvine	POC #1	\$ 373,205.33
	Palmieri, Tyler, Wiender, Wilhelm & Waldron LLP	POC #2; POC #5; POC #45; POC #46	\$ 7,080.17
	KTGY Group, Inc.	POC #3	\$ 8,295.36
	Utility Consultants of Orange	POC #4; POC #9	\$ 15,550.00
	Contracting Engineers, Inc.	POC #6	\$ 12,227.50
	C.I. Printing Inc., dba Color Image Printing, Inc.	POC #7	\$ 22,127.70
	Culbertson, Adams & Associates	POC #8	\$ 19,751.66
	Gary L. Vogt & Associates	POC #10	\$ 2,250.00
	Scoop Reprint Source	POC #11	\$ 5,215.38
	Daren Saunders Photography	POC #12	\$ 1,131.21
	GCI Associates, Inc.	POC #13	\$ 641.42
	Dexter Wilson Engineering, Inc.	POC #14	\$ 10,418.37
	HomeBuyers Guide Real Estate Inc.	POC #15	\$ 69,900.00
	Creekside Development, Inc.	POC #16	\$ 3,663,332.72
	Centex Homes	POC #17	\$ 3,771,678.07
	SunCal Management, LLC	POC #18	\$ 1,386,189.57
	SCC Acquisitions, Inc.	POC #19	\$ 27,166.61
	Boudreau Pipeline Corporation	POC #20	\$ 899,840.47
	SunCal Management, LLC	POC #22	\$ 158,926.00
	SunCal Master Venture Member, LLC	POC #25	\$ 45,164.31
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #26	\$ 319,287.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #27	\$ 343,468.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #28	\$ 378,797.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #29	\$ 114,291.00

Debtor	Creditor	Proof of Claim #	Claim Amount
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #30	\$ 710,192.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #31	\$ 476,943.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #32	\$ 364,676.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #33	\$ 262,073.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #34	\$ 1,639,486.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #35	\$ 1,537,973.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #36	\$ 434,156.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #37	\$ 763,671.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #38	\$ 219,070.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #39	\$ 70,005.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #40	\$ 83,952.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #41	\$ 78,031.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #42	\$ 7,712,119.00
	SCC Acquisitions, Inc.	POC #43	\$ 37,472,869.00
	Bruce Elieff	POC #44	\$ 37,472,869.00
	Arch Insurance Company	POC #47	\$155,423,657(contingent) \$131,588.73 (liquidated)
	Summers Murphy & Partners, Inc	POC #48	\$ 8,350.00
	5th Gear, LLC	POC #49	\$ 97,531.77
	All American Asphalt	POC #50	\$ 245,870.91
	Halladay & Mim Mack, Inc.	POC #51	\$ 44,611.21
	Voss, Cook & The, LLP	POC #52	\$ 205,322.98
	Chino Grading, Inc.	POC #53	\$ 282,044.14
	Ron Martin & Associates, Inc.	POC #54	\$ 35,217.09
	Rohm Insurance Agency	POC #55	\$ 109,185.00
<b>SunCal PSV, LLC</b>			
	Desert Publications	POC #1	\$ 10,385.00
	SunCal Management, LLC	POC #2	\$ 520,753.13
	SCC Acquisitions, Inc.	POC #3	\$ 22,977.13
	Brudvik, Inc.	POC #4	\$ 48,984.54
	Larry Jacinto Construction, Inc.	POC #5; POC #24	\$ 212,663.76
	MOM Publications, Inc. dba New Homes Magazine	POC #6	\$ 10,383.93
	SunCal Management, LLC	POC #7	\$ 206,329.30
	SCC Acquisitions, Inc.	POC #8	\$ 18,512.37
	Williams + Paddon Architects + Planners, Inc	POC #9	\$ 64,084.38
	Williams + Paddon Architects + Planners, Inc	POC #10	\$ 9,713.64
	SCC Acquisitions, Inc.	POC #11	\$ 17,993.01
	SunCal Master Venture Member, LLC	POC #13	\$ 72,278.26
	SCC Acquisitions, Inc.	POC #14	\$ 18,405,548.00
	Bruce Elieff	POC #15	\$ 18,405,548.00
	Desert Water Agency	POC #16	\$ 53,443.92
	AP Medallion Gold LLC dba Golf Ventures West, LLC	POC #17	\$ 4,072.97
	Martin Excavation, Inc.	POC #18	\$ 1,762.50
	West Coast Turf	POC #19	\$ 263,262.04
	High Tech Irrigation, Inc.	POC #20	\$ 50,526.39
	Griffin Structures, Inc.	POC #21; POC #22	\$ 80,001.60
	The Collaborative West, Inc.	POC #23	\$ 79,547.50
	Southern California Edison Company	POC #25	\$ 243.89
	Southern California Edison Company	POC #26	\$ 23,661.62
	HSA Design Group	POC #27	\$ 8,767.92
	Arch Insurance Company	POC #28	\$155,423,657(contingent) \$131,588.73 (liquidated)
	5th Gear, LLC	POC #29	\$ 136,356.73
	Rohm Insurance Agency	POC #30	\$ 183,883.00
	Stormwater Compliance Specialists, Inc.	POC #31; POC #37	\$ 21,840.00
	Swanillon Inc., dba The Land Stewards	POC #32; POC #36	\$ 23,024.04
	Pacific Masonry Walls Inc	POC #33; POC #39	\$ 314,061.23
	Simplot Partners (J.R. Simplot Company)	POC #34; POC #40	\$ 3,467.88
	Palm Springs Pump, Inc.	POC #35; POC #41	\$ 8,158.59
	Desert Pipeline Inc	POC #36; POC #42; POC #47	\$ 469,704.09
	MSA Consulting, Inc.	POC #43	\$ 666,897.27
	Nssho of California, Inc.	POC #44	\$ 1,856,428.02
	Jackson, DeMarco, Tidus & Peckenpaugh	POC #45	\$ 52,234.50
	Oliphant Golf, Inc.	POC #46	\$ 456,476.47
	Protection One	POC #48	\$ 2,194.19
<b>Palmdale Hills Property, LLC</b>			
	Asphalt Professionals	POC #1; POC #46	\$ 35,528.13
	Pinnacle Land Surveying, Inc	POC #2	\$ 66,051.00
	Inland Blueprint Inc. dba IB Reprographics	POC #3; POC #21	\$ 2,320.77
	Greg Norman Golf Course Design	POC #4	\$ 211,490.01
	A.G.I. Geotechnical, Inc.	POC #5	\$ 20,045.81
	The Corporation Int Rate Mgmt	POC #6	\$ 112,500.00
	Gec Consultants, Inc.	POC #7	\$ 10,080.00
	Glumac	POC #8	\$ 2,662.40
	KTYG Group, Inc.	POC #9	\$ 49,996.82

Debtor	Creditor	Proof of Claim #	Claim Amount
	Lim & Nascimento Engineering	POC #10; POC #45	\$ 1,830.00
	Patricia I. Volkerts Trust dated August 7, 2000	POC #11	\$ 871,703.19
	SJD Partners, Ltd.	POC #13	\$ 12,584.00
	Stantec Consulting	POC #14; POC #56	\$ 134,297.23
	HD Supply Construction Supply, LTD., dba HD Supply White Cap Construction Supply	POC #15	\$ 14,893.18
	Charles Skaggs	POC #16	\$ 5,096.25
	Glenn Lukos Associates, Inc.	POC #17; POC #18; POC #36	\$ 1,216.78
	Glenn Lukos Associates, Inc.	POC #19	\$ 11,326.13
	Scott E. McDaniel	POC #20	\$ 535,000.00
	So. & Associates Engineers	POC #22	\$ 15,485.00
	SunCal Management, LLC	POC #23	\$ 1,379,367.84
	SCC Acquisitions, Inc.	POC #24	\$ 3,000.00
	Warmingtton Homes California	POC #25	\$ 1,771,232.88
	Palmieri, Tyler, Wiender, Wilhelm & Waldron LLP	POC #26	\$ 91,034.50
	Western Oilfields Supply Co. Inc. dba Rain for Rent	POC #27	\$ 2,160.11
	Linscott, Law & Greenspan Engrns	POC #28	\$ 608.50
	Arleen Logan	POC #29	\$ 668,250.00
	Amec Earth and Environmental	POC #30	\$ 17,906.39
	Klassen Corporation	POC #31	\$ 306,350.99
	Hewitt & O'Neil LLP	POC #32; POC #92	\$ 12,584.00
	Sierra Cascade Construction	POC #33	\$ 550,677.29
	Greg Norman Golf Course Design	POC #34	\$ 218,259.21
	Dou Family Trust; Hsu Chih Chang Trust	POC #35	\$ 3,173,499.50
	Glenn Lukos Associates, Inc.	POC #37	\$ 7,924.19
	Ugalde Trucking Co., Inc.	POC #38	\$ 6,520.00
	GCI Associates, Inc.	POC #39	\$ 641.42
	Andy Gump	POC #40	\$ 11,183.08
	Wood Rogers, Inc.	POC #41	\$ 34,119.11
	GeoTeck, Inc.	POC #42	\$ 17,749.00
	Cooks Portable Toilets & Septic, LLC	POC #43	\$ 2,743.21
	HMK Engineers	POC #44	\$ 26,688.85
	Zeiser Kling Consultants, Inc.	POC #47	\$ 8,984.27
	Asphalt Professionals	POC #48	\$ 75,188.52
	Bova Contracting Group	POC #49; POC #58	\$ 1,155,533.39
	Cal-State Rent A Fence	POC #50; POC #100	\$ 1,679.72
	Staats Construction, Inc.	POC #51	\$ 66,105.82
	Pierce's Security	POC #52	\$ 53,919.09
	Roddan Paolucci Roddan Advertising	POC #53	\$ 78,083.50
	Arch Insurance Company	POC #54	\$155,423,657(contingent) \$131,588.73 (liquidatec)
	Southland Framers, Inc.	POC #55; POC #67; POC #68	\$ 177,801.98
	Jeanette C. Justus Associate	POC #57	\$ 28,428.59
	SunCal Management, LLC	POC #59	\$ 489,020.27
	Bethel Island Municipal Improvement District	POC #61	\$ 2,000,000.00
	Pinnick, Inc.	POC #62	\$ 30,752.71
	Pinnick, Inc.	POC #63	\$ 936,234.33
	Pinnick, Inc.	POC #64	\$ 563,159.02
	Summers/Murphy & Partners, I	POC #66	\$ 54,375.00
	Urban CrossRoads, Inc.	POC #69	\$ 14,320.00
	Outdoor Sales, Inc.	POC #70	\$ 785,282.57
	Rohm Insurance Agency	POC #71	\$ 97,621.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #72	\$ 1,784,700.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #73	\$ 6,353,850.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #74	\$ 150,700.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #75	\$ 3,414,300.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #76	\$ 240,750.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #77	\$ 649,500.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #78	\$ 3,160,650.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #79	\$ 4,122,000.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #80	\$ 784,050.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #81	\$ 37,950.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #82	\$ 19,500.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #83	\$ 5,900.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #84	\$ 13,000.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #85	\$ 3,549,700.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #86	\$ 573,400.00
	Bond Safeguard Ins. Co. & Lexon Ins. Co.	POC #87; POC #103	\$ 24,859,950.00
	Lennar Centex Del Rio Partners LLC	POC #88	\$ 3,063,489.30
	The City of Palmdale	POC #89	Unknown
	SCC Acquisitions, Inc.	POC #90	\$ 27,991,947.00
	Bruce Elieff	POC #91	\$ 27,991,947.00
	Chameleon Design, Inc.	POC #93; POC #99	\$ 48,240.00
	Jag Construction	POC #96	\$ 163,018.12
	County of San Bernardino	POC #97	\$ 504,245.23
	AMEC Earth & Environmental, Inc.	POC #98	\$ 195,576.53
	Cheryl R. Mims	POC #101	\$ 136,229.12
	Wallace Kuhl & Associates, Inc.	POC #102	\$ 11,379.39

Debtor	Creditor	Proof of Claim #	Claim Amount
	Southern California Edison Company	POC #104	\$ 43.68
	Franchise Tax Board	POC #105	\$ 7,517.99
<b>SunCal Communities I, LLC</b>			
	Arch Insurance Company	POC #1	\$155,423.657(contingent) \$131,588.73 (liquidated)
<b>SunCal Communities III, LLC</b>			
	Verizon California Inc.	POC #1	\$ 459.40
	Arch Insurance Company	POC #3	\$155,423.657(contingent) \$131,588.73 (liquidated)
<b>SunCal Summit Valley, LLC</b>			
	Hunsaker & Associates - Irvine	POC #1	\$ 126,940.25
	Development Planning Solutions	POC #2	\$ 12,420.54
	LSA Associates, Inc.	POC #3	\$ 6,985.67
	Arthur Riggs	POC #4	\$ 801,900.00
	Aleen Logan	POC #5	\$ 668,250.00
	Charles E. Skaggs	POC #6 & #14	\$ 6,066.25
	SunCal Management, LLC	POC #7	\$ 7,436.33
	SCC Acquisitions, Inc.	POC #8	\$ 2,500.00
	Pacific Soils Engineering, Inc.	POC #9	\$ 16,827.00
	SunCal Management, LLC	POC #10	\$ 42,027.08
	SunCal Master Venture Member LLC	POC #13	\$ 5,991.40
	Arch Insurance Company	POC #15	\$155,423.657(contingent) \$131,588.73 (liquidated)
	Summers/Murphy & Partners	POC #16	\$ 7,600.00
	Cheltimalie Enterprises, a California Partnership	POC #17	\$ 1,368,156.25
<b>Tesoro SF, LLC</b>			
	Glenn Lukos Associates, Inc.	POC #1	\$ 11,326.13
	SCC Acquisitions, Inc.	POC #3	\$ 4,888.89
	SunCal Management, LLC	POC #4	\$ 104,510.08
	SunCal Management, LLC	POC #5	\$ 118,891.12
	Arch Insurance Company	POC #8	\$155,423.657(contingent) \$131,588.73 (liquidated)
	Rohm Insurance Company	POC #9	\$ 8,560.00

Note: The above list does not include certain contingent claims filed by SCC Acquisitions, Inc. Some claims listed may have been



## EXHIBIT “20”

**Mechanic Lien Claims**

<b>Claimant</b>	<b>Claim Nos.</b>
The Holder of the asserted Mechanic Lien Claim held by Asphalt Professionals against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$38,249.	Palmdale Hills 1 and 46
The Holder of the asserted Mechanic Lien Claim held by Sierra Cascade Construction against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$550,677.	Palmdale Hills 33
The Holder of the asserted Mechanic Lien Claim held by Staats Construction, Inc. against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$166,105.	Palmdale Hills 51
The Holder of the asserted Mechanic Lien Claim held by Southland Farmers, Inc. against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$177,801.	Palmdale Hills 55, 67 and 68
The Holder of the asserted Mechanic Lien Claim held by Pinnick, Inc. against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$1,530,146.	Palmdale Hills 62, 63 and 64
The Holder of the asserted Mechanic Lien Claim held by Chamelon Design Inc. against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$73,600.	Palmdale Hills 93, 99
The Holder of the asserted Mechanic Lien Claim held by Hall & Foreman, Inc. against the Emerald Meadows Project in the amount of \$287,727.	SunCal Emerald 13
The Holder of the asserted Mechanic Lien Claim held by Proactive Engineering against the Emerald Meadows Project in the amount of \$991,315.	SunCal Emerald 15 and 16
The Holder of the asserted Mechanic Lien Claim held by HD Supply Construction against the Ritter Ranch Project owned by Palmdale Hills in the amount of \$14,893.	Palmdale Hills 15
The Holder of the asserted Mechanic Lien Claim held by MHM Engineers against the Bickford Ranch Project in the amount of \$8,916.	SunCal Bickford 5
The Holder of the asserted Mechanic Lien Claim held by Land Architecture against the Bickford Ranch Project in the amount of \$100,245.	SunCal Bickford 6
The Holder of the asserted Mechanic Lien Claim held by Kiewit Pacific Co. against the Bickford Ranch Project in the amount of \$1,868,357.	SunCal Bickford 10

Claimant	Claim Nos.
The Holder of the asserted Mechanic Lien Claim held by ARB, Inc. against the Bickford Ranch Project in the amount of \$1,052,272.	SunCal Bickford 15
The Holder of the asserted Mechanic Lien Claim held by Independent Construction against the Bickford Ranch Project in the amount of \$117,209.	SunCal Bickford 28
The Holder of the asserted Mechanic Lien Claim held by Marques Pipeline, Inc. against the Bickford Ranch Project in the amount of \$330,118.	SunCal Bickford 29 and 30
The Holder of the asserted Mechanic Lien Claim held by Pacific Soils Engineering against the portion of the Summit Valley Project owned by Summit Valley in the amount of \$16,827.	SunCal Summit 9
The Holder of the disputed asserted Mechanic Lien Claim held by Hertz Equipment Rental Corporation against the Delta Coves Project in the amount of \$25,444.	SunCal Delta Coves 2
The Holder of the asserted Mechanic Lien Claim held by MBH Architects against the Delta Coves Project in the amount of \$97,091.	SunCal Delta Coves 8
The Holder of the asserted Mechanic Lien Claim held by HD Supply Construction against the Heartland Project in the amount of \$47,675.	SunCal Heartland 2
The Holder of the asserted Mechanic Lien Claim held by Pinnik, Inc. against the Heartland Project in the amount of \$563,159.	SunCal Heartland 8
The Holder of the asserted Mechanic Lien Claim held by Dennis M. McCoy & Sons against the Heartland Project in the amount of \$941,960.	SunCal Heartland 16
The Holder of the asserted Mechanic Lien Claim held by Trimax Systems, Inc. against the Marblehead Project in the amount of \$75,286.	SunCal Marblehead 3
The Holder of the asserted Mechanic Lien Claim held by Butsko Utility Design, Inc. against the Marblehead Project in the amount of \$6,250.	SunCal Marblehead 4
The Holder of the asserted Mechanic Lien Claim held by Dennis RMF Contracting, Inc. against the Marblehead Project in the amount of \$264,749.	SunCal Marblehead 28
The Holder of the asserted Mechanic Lien Claim held by The Jasper Companies against the Marblehead Project in the amount of \$165,260.	SunCal Marblehead 29
The Holder of the asserted Mechanic Lien Claim held by Kirk Negrete, Inc. dba United Steel Placers against the Marblehead Project in the amount of \$270,056.	SunCal Marblehead 38
The Holder of the asserted Mechanic Lien Claim held by RBF Consulting against the Marblehead Project in the amount of \$125,093.	SunCal Marblehead 39

Claimant	Claim Nos.
The Holder of the asserted Mechanic Lien Claim held by RJ Noble Co. against the Marblehead Project in the amount of \$175,030.	SunCal Marblehead 42, 50 and 58
The Holder of the asserted Mechanic Lien Claim held by Orange County Stripping Services against the Marblehead Project in the amount of \$4,400.	SunCal Marblehead 46 and 54
The Holder of the asserted Mechanic Lien Claim held by Savala Equipment Co. Inc. against the Marblehead Project in the amount of \$34,440.	SunCal Marblehead 48 and 56
The Holder of the asserted Mechanic Lien Claim held by Rockey Murata Landscaping against the Marblehead Project in the amount of \$285,643.	SunCal Marblehead 60
The Holder of the asserted Mechanic Lien Claim held by HD Supply Construction against the Oak Valley Project in the amount of \$52,806.	SunCal Oak Valley 3
The Holder of the asserted Mechanic Lien Claim held by Pinnik Inc. against the Oak Valley Project in the amount of \$966,987.	SunCal Oak Valley 12 and 14
The Holder of the asserted Mechanic Lien Claim held by Hillcrest Contracting Inc. against the Oak Valley Project in the amount of \$136,567.	SunCal Oak Valley 23
The Holder of the asserted Mechanic Lien Claim held by MacKenzie Landscape against the Oak Valley Project in the amount of \$121,297.	SunCal Oak Valley 25
The Holder of the asserted Mechanic Lien Claim held by All American Asphalt against the Oak Valley Project in the amount of \$60,355.	SunCal Oak Valley 26
The Holder of the asserted Mechanic Lien Claim held by Los Angeles Times against the Oak Valley Project in the amount of \$43,610.	SunCal Oak Valley 31 and 32
The Holder of the asserted Mechanic Lien Claim held by Proactive Engineering against the Oak Valley Project in the amount of \$280,685.	SunCal Oak Valley 35 and 36
The Holder of the asserted Mechanic Lien Claim held by Brudvik Inc. against the Palm Springs Village Project in the amount of \$43,365.	SunCal PSV 4
The Holder of the asserted Mechanic Lien Claim held by Larry Jacinto Construction Inc. against the Palm Springs Village Project in the amount of \$212,663.	SunCal PSV 5 and 24
The Holder of the asserted Mechanic Lien Claim held by William + Paddon Architects + Planners Inc. against the Palm Springs Village Project in the amount of \$73,798.	SunCal PSV 9 and 10
The Holder of the asserted Mechanic Lien Claim held by Southern California Edison against the Palm Springs Village Project in the amount of \$23,861.	SunCal PSV 26

Claimant	Claim Nos.
The Holder of the asserted Mechanic Lien Claim held by Pacific Masonry Walls, Inc. against the Palm Springs Village Project in the amount of \$314,061.	SunCal PSV 33 and 39
The Holder of the asserted Mechanic Lien Claim held by J.R. Simplot Company against the Palm Springs Village Project in the amount of \$3,467.	SunCal PSV 34 and 40
The Holder of the asserted Mechanic Lien Claim held by Desert Pipeline Inc. against the Palm Springs Village Project in the amount of \$469,784.	SunCal PSV 36, 42 and 47
The Holder of the asserted Mechanic Lien Claim held by MSA Consulting against the Palm Springs Village Project in the amount of \$666,897.	SunCal PSV 43
The Holder of the asserted Mechanic Lien Claim held by Jackson DeMarco against the Palm Springs Village Project in the amount of \$52,234.	SunCal PSV 45
The Holder of the asserted Mechanic Lien Claim held by Oliphant Gold, Inc. against the Oak Knoll Project in the amount of \$456,476.	SunCal Oak Knoll 46
The Holder of the asserted Mechanic Lien Claim held by RGA Environmental, Inc. against the Oak Knoll Project in the amount of \$75,617.	SunCal Oak Knoll 1
The Holder of the asserted Mechanic Lien Claim held by BKF Engineers against the Oak Knoll Project in the amount of \$308,817.	SunCal Oak Knoll 2 and 19
The Holder of the asserted Mechanic Lien Claim held by CST Environmental Inc. against the Oak Knoll Project in the amount of \$4,316,169.	SunCal Oak Knoll 4 and 9

## CCM - NMTC

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 660 Newport Center Drive, 4<sup>th</sup> Fl., Newport Beach, CA 92660.

A true and correct copy of the foregoing document described as: **NOTICE OF MOTION AND MOTION FOR ORDER DISALLOWING CERTAIN CLAIMS HELD BY LEHMAN ALI INC. AND LEHMAN COMMERCIAL PAPER INC.** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") -- Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On April 8, 2011, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

☒ Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):  
On April 8, 2011, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

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III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on April 8, 2011, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Via Attorney Service  
Honorable Erithe Smith  
Ronald Reagan Federal Bldg.  
411 W. Fourth St., Suite 5041  
Santa Ana, CA 92701

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

April 8, 2011  
Date

Viann Corbin  
Type Name

/s/ Viann Corbin  
Signature

**NEF SERVICE LIST**

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